

Note 2 – Stewardship, Compliance and Accountability (Continued)

On December 19, 2013, the 2014 General Government Operating and Capital Budget and the 2014 Ketchikan Public Utilities Operating and Capital Budget were adopted by the City Council with the passage of Resolution 13-2530 and Resolution 13-2531, respectively. During the year, the 2014 General Government Operating and Capital Budget was amended to provide for supplemental appropriations as follows:

- Increase appropriations of the risk management department in the amount of \$22,000.
- Acceptance of a grant for the fire department in the amount of \$3,500.
- Acceptance of a grant for the fire department in the amount of \$80,000.
- Acceptance of a grant for the fire department in the amount of \$5,000.
- Acceptance of a grant for the fire department in the amount of \$8,500.
- Acceptance of a grant for the fire department in the amount of \$18,448.
- Acceptance of a grant for the fire department in the amount of \$215.
- Acceptance of a grant for the police department in the amount of \$4,000.
- Increase appropriations for the health and welfare department in the amount of \$36,665.
- Acceptance of a grant for the library department in the amount of \$1,000.
- Acceptance of a grant for the museum department in the amount of \$8,780.
- Acceptance of a grant for the tourism and economic development department in the amount of \$350,657.
- Acceptance of a grant for the tourism and economic development department in the amount of \$37,422.
- Acceptance of a grant for the tourism and economic development department in the amount of \$122,387.
- Acceptance of a private contribution for the tourism and economic development department in the amount of \$22,035.
- Issuance of bonds for the harbor department in the amount of \$149,928.
- Increase appropriations for the port department in the amount of \$45,000.

During the year, the 2014 Ketchikan Public Utilities Operating and Capital Budget was amended as follows:

- Increase appropriations for the electric department in the amount of \$96,300.
- Issuance of bonds for the water department in the amount of \$100,000.

In addition, transfers of funds between budget accounts, within departments, which did not increase appropriations, were made for both General Government and Ketchikan Public Utilities. The effects of these transfers were not significant in relation to the budgets taken as a whole.

All unencumbered appropriations lapse at the end of each fiscal year, but encumbered appropriation balances carry forward automatically and may be expended after year-end. All unencumbered, unexpended annual appropriations lapse at year-end. Payments made against prior year purchase orders result in current year expenditures being increased and current year encumbrance balances being reduced so that these payments do not reduce current year appropriations. Under this system, prior year encumbrances, on which payments have been made, are netted with current year encumbrances. This sometimes results in negative encumbrance balances appearing on budgetary statements.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Cash and investments for the City are comprised of governmental and business-type activities. The balances at December 31, 2014 were:

Cash on hand	\$ 9,570
Deposits with financial institutions	52,842,794
Investments	52,161,666
Total	<u>\$ 105,014,030</u>

Note 3 - Detailed Notes on All Funds (Continued)

Cash and investments for the City include both governmental and business-type activities as follows:

	Governmental Activities	Business-type Activities	Total
Unrestricted	\$ 23,571,794	\$ 23,280,797	\$ 46,852,591
Restricted	46,434,570	11,726,869	58,161,439
Total	<u>\$ 70,006,364</u>	<u>\$ 35,007,666</u>	<u>\$ 105,014,030</u>

The restricted cash and investments are comprised entirely of \$2,777,489, \$17,992 and \$3,438,548 for bond reserve accounts established for the City's municipal utility, wastewater services and port revenue bonds, respectively, \$45,937,940 for bond construction accounts, \$208,971 for City utility bond constructions accounts, \$3,664,611 for the Port repair and replacement accounts, \$1,815,985 for commercial passenger excise tax fund accounts and \$299,903 for public safety confiscated funds.

Deposits

Custodial credit risk-deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy is in accordance with guidelines established by the City Charter, the City Council and its bond ordinances. All deposits were covered by federal depository insurance up to \$250,000 and collateralized with eligible securities in amounts equal at least 100 percent of the book value of deposits. As of December 31, 2014, the book value of all the City deposits was \$52,842,794. All collateral securities were held by third parties in the City's name, and consequently were not exposed to custodial credit risk.

Investments. All investment pool cash purchases and sales are part of the City's cash management activity and considered cash and cash equivalents. Interest earned from the pooled investments is allocated to each fund based on average earnings rate and monthly cash balance of each fund. The City has recorded investments at fair value. The City's investment policy is in accordance with guidelines established by the City Charter, the City Council and its bond ordinances.

The following investments are permitted under the City's investment policy:

- United States Treasury Debt Obligations
- United States Agency Debt Obligations
- Alaska Municipal Debt Obligations
- Repurchase Agreements Secured by U.S. Treasury and Agency Debt Obligations

Interest rate risk. As of December 31, 2014, the weighted average maturity of the City's investment portfolio was .40 years. To minimize interest rate risk, the City's investment policy limits the portfolio to a maximum weighted average of maturity of 24 months. With the exception of bond reserve accounts, all other funds must be invested in less than two-year maturities and must meet the City's cash flow requirements.

Credit risk. Most of the City's investments are direct obligations of the U. S. government and are not considered to have credit risk. As of December 31, 2014, the City had investments in money market funds totaling \$49,850,265. The money market funds were invested primarily in U.S. Treasury and Agency obligations.

Concentration of credit risk. Of the City's total investments as of December 31, 2014, .4 percent were invested in direct obligations of the U. S. Government. All other investments not explicitly guaranteed by the U.S. Government were less than 95 percent of the City's total investments.

Custodial credit risk. This is the risk that, in the event of the failure of a counterparty, the City would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At December 31, 2014, the City had no investments that were held by either a counterparty or a counterparty's trust department or agent. The City did have funds on deposit with Bank of New York Mellon in the amount of \$1,758,678 of which \$1,508,678 were uncollateralized.

Note 3 - Detailed Notes on All Funds (Continued)

As of December 31, 2014, the City had the following investments and maturities:

Investment Type	Fair Value	Non Maturity Rated	Investment Maturity (in years)			Average Maturity (Years)
			Less Than 1	1 - 5	6 - 10	
US Treasury Notes	\$ 2,311,401	\$ -	\$ 1,883,449	\$ 427,952	\$ -	0.4
Cash in Mutual Funds	49,850,265	49,850,265	-	-	-	0
	<u>\$ 52,161,666</u>	<u>\$ 49,850,265</u>	<u>\$ 1,883,449</u>	<u>\$ 427,952</u>	<u>\$ -</u>	

Portfolio weighted average maturity .4

3-B. Receivables

Receivables at December 31, 2014, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. Receivables for the year ended December 31, 2014, consisted of the following:

	Governmental Activities	Business-type Activities	Total
Accounts receivable	\$ 10,855,659	\$ 7,447,727	\$ 18,303,386
Allowance for doubtful accounts	(147,600)	(78,000)	(225,600)
Net accounts receivable	<u>\$ 10,708,059</u>	<u>\$ 7,369,727</u>	<u>\$ 18,077,786</u>

3-C. Property Taxes

Under Alaska Statutes, boroughs are required to bill and collect property taxes for cities located within its boundaries. The Ketchikan Gateway Borough performs these functions for the City. The City must set the rate of levy by June 15 of each year. Property taxes are levied on July 1 and are based on the assessed valuation of real and personal property as of January 1. Property taxes are due and payable immediately upon levy and become delinquent if not paid on or before September 30 of the year in which they are levied. The lien date is October 1. Foreclosure proceedings are initiated by the Ketchikan Gateway Borough the following January on properties for which property taxes has not been paid by December 31. Upon the issuance of a judgment by the court, properties with delinquent taxes are transferred to the Borough and held for at least one year in order to permit the property owner with an option to redeem the property. At the end of the redemption period, all unredeemed property located within the City is deeded to the City by the court subject to the payment by the City of all unpaid borough taxes and the costs of foreclosure levied against the property.

3-D. Leases

3-D-1 Operating Leases

The City is a lessor in a number of operating leases as follows:

In 1988, the City entered into an agreement with the United States of America, Forest Service to lease City owned land for 50 years for a Southeast Alaska visitor's information center. The terms of the lease agreement require annual lease payments of \$1 per year.

Note 3 - Detailed Notes on All Funds (Continued)

In 1981, the City entered into an agreement with Peace Health to lease the City owned hospital for 10 years. The terms of the lease require annual payments of \$1 per year. In 1992, 2003 and 2013, the agreement was amended to provide for 10-year extensions.

In 2000, the City entered into an agreement with the State of Alaska to lease City owned land for the Ketchikan Youth Detention and Treatment Facility for a period of 55 years and at a total cost of \$550.

In 2004, the State of Alaska transferred, at no cost, to the City of Ketchikan thirteen tidelands leases. The following is a schedule of investment in property held for lease and the minimum future rentals as of December 31, 2014:

Schedule of Investment in Property Held For Lease	
Tidelands	\$ 941,500
Total	941,500
Less: Accumulated Depreciation	-
Net Investment	\$ 941,500

Years Ending December 31	Amount
2015	\$ 51,339
2016	51,338
2017	41,539
2018	41,538
2019	41,539
2020-2024	199,637
2025-2029	164,511
2030-2039	163,299
2035-2039	89,900
2040-2044	71,615
2045-2049	67,250
2050-2054	37,450
2055-2059	30,000
2060-2064	24,000
Total minimum future lease rentals	\$ 1,074,955

Nine of the leases have a scheduled rate change after 25 years and then every 10 years thereafter, three of the leases have a scheduled rate change in the sixth year and every five years thereafter and one lease has no future rate changes at the date of transfer from the State. The expiration of the lease with the shortest remaining term expires in 2016 while the lease with the longest remaining term expires in 2063.

The City is a lessee in the following operating lease:

The City is under contract to lease a panamax class cruise ship berth and adjacent ground transportation areas, which will be used in its port operations, under a 30-year non-cancelable operating lease. The lease agreement includes two ten-year options to renew.

Note 3 - Detailed Notes on All Funds (Continued)

The future minimum lease payments for this lease are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2015	\$ 1,800,000
2016	1,800,000
2017	1,800,000
2018	1,800,000
2019	1,800,000
2020-2024	9,000,000
2025-2029	9,000,000
2030-2034	9,000,000
2035-2037	5,400,000
Total future minimum lease payments	<u>\$ 41,400,000</u>

The future minimum lease payments do not include contingent lease payments that will be paid if the number of cruise ship passengers paying the City's passenger wharfage fee exceeds 820,000 passengers. Various formulas are used to determine the contingent lease payments and all are dependent on passenger volume. Contingent lease payments will be decreased if passenger volume decreases. In 2014, the City paid the minimum lease of \$1,800,000 plus a contingent lease payment of \$550,270 for a total of \$2,350,270

3-E. Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 28,904,498	\$ -	\$ -	\$ 28,904,498
Easements	-	588,168	-	588,168
Construction in progress	6,087,334	14,061,923	3,036,331	17,112,926
Other capital assets	100,750	-	-	100,750
Total nondepreciable capital assets	<u>35,092,582</u>	<u>14,650,091</u>	<u>3,036,331</u>	<u>46,706,342</u>
Depreciable capital assets:				
Land improvements	1,554,203	-	-	1,554,203
Buildings	74,783,310	34,800	-	74,818,110
Machinery and equipment	15,462,000	608,128	567,676	15,502,452
Infrastructure	58,548,008	12,528,752	-	71,076,760
Software	624,705	-	-	624,705
Total depreciable capital assets	<u>150,972,226</u>	<u>13,171,680</u>	<u>567,676</u>	<u>163,576,230</u>
Total capital assets	<u>186,064,808</u>	<u>27,821,771</u>	<u>3,604,007</u>	<u>210,282,572</u>
Accumulated depreciation:				
Land improvements	1,194,482	95,528	-	1,290,010
Buildings	17,924,468	1,264,014	-	19,188,482
Machinery and equipment	8,584,921	962,311	490,362	9,056,870
Infrastructure	21,015,168	1,854,805	-	22,869,973
Software	466,649	58,875	-	525,524
Total accumulated depreciation	<u>49,185,688</u>	<u>4,235,533</u>	<u>490,362</u>	<u>52,930,859</u>
Governmental activities capital assets, net	<u>\$ 136,879,120</u>	<u>\$ 23,586,238</u>	<u>\$ 3,113,645</u>	<u>\$ 157,351,713</u>

Note 3 - Detailed Notes on All Funds (Continued)

Governmental activities depreciation expense

General government	\$ 69,987
Public safety	706,731
Public works	1,834,907
Health and welfare	562,945
Harbor	814,950
Culture	246,013
Total governmental activities depreciation expense	<u>\$ 4,235,533</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 4,450,356	\$ 48,250	\$ -	\$ 4,498,606
Other capital assets	981,630		675,128	306,502
Construction in progress	40,159,571	2,439,065	38,295,986	4,302,650
Total non-depreciable capital assets	45,591,557	2,487,315	38,971,114	9,107,758
Depreciable capital assets:				
Electric utility plant	90,023,191	31,874,651	296,744	121,601,098
Telecommunications utility plant	55,825,736	5,265,376	845,675	60,245,437
Water utility plant	48,924,405	4,660,228	571,912	53,012,721
Wastewater utility plant	20,830,341	3,948,166	129,638	24,648,869
Port facilities	67,104,874	5,408,627	5,919,516	66,593,985
Total depreciable capital assets	282,708,547	51,157,048	7,763,485	326,102,110
Total capital assets	328,300,104	53,644,363	46,734,599	335,209,868
Accumulated depreciation:				
Electric utility plant	61,641,491	2,769,401	296,744	64,114,148
Telecommunications utility plant	43,445,845	2,873,290	845,675	45,473,460
Water utility plant	15,076,281	1,266,287	562,643	15,779,925
Wastewater utility plant	7,054,922	427,711	129,638	7,352,995
Port facilities	15,390,070	1,587,253	2,920,142	14,057,181
Total accumulated depreciation	142,608,609	8,923,942	4,754,842	146,777,709
Business-type activities capital assets, net	<u>\$ 185,691,495</u>	<u>\$ 44,720,421</u>	<u>\$ 41,979,757</u>	<u>\$ 188,432,159</u>

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Commitments

The City has the following commitments as of December 31, 2014:

	Operational	Capital	Total
Governmental Funds			
General	\$ 285,778	\$ 1,383,724	\$ 1,669,502
Hospital construction fund	-	38,729,042	38,729,042
Major capital improvements fund	-	470,886	470,886
Harbor improvements fund	-	4,450,000	4,450,000
Non-major special revenue funds	30,339	74,218	104,557
Total Governmental Funds	<u>\$ 316,117</u>	<u>\$ 45,107,870</u>	<u>\$ 45,423,987</u>
Enterprise Funds			
KPU	\$ 859,655	\$ 2,199,962	\$ 3,059,617
Port	-	197,079	197,079
Wastewater	38,226	111,426	149,652
Total Enterprise Funds	<u>\$ 897,881</u>	<u>\$ 2,508,467</u>	<u>\$ 3,406,348</u>

3-G. Interfund Balances and Transfers

Interfund balances at December 31, 2014, consisted of the \$4,302,147 for governmental activities and represents reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to repay all interfund balances within one year except where noted.

Interfund transfers for the year ended December 31, 2014, consisted of the following:

Transfers from	Transfers to:		
	General fund	Nonmajor governmental funds	Total
General fund	\$ -	\$ 2,000,237	\$ 2,000,237
KPU Fund	786,000	-	786,000
Port Fund	430,642	4,907,162	5,337,804
Wastewater Fund	80,000	-	80,000
Nonmajor governmental funds	317,049	488,730	805,779
Total	<u>\$ 1,613,691</u>	<u>\$ 7,396,129</u>	<u>\$ 9,009,820</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and for payments in lieu of taxes.

3-H. Landfill Closure and Postclosure Care

State and federal laws and regulations require the City to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for up to thirty years after closure. Operating and capital expenditures related to current activities of the landfill are recorded in the Solid Waste Services special revenue fund. During 2014, the City did not have any current expenditures for landfill closure costs nor any post-closure care costs. The total estimated liability for

Note 3 - Detailed Notes on All Funds (Continued)

landfill closure and postclosure care costs are reported on the government-wide statement of net position.

During 2014, the future closure and postclosure costs were reevaluated and adjusted to reflect current conditions. As of December 31, 2014, the estimated liability for landfill closure and postclosure care costs totaled \$956,040, an increase of \$4,500 from the estimated liability as of December 31, 2013.

The estimated liability is based on an engineer's estimate taking into account various factors including used capacity. As of December 31, 2014 used capacity was approximately 59.34%. It is estimated that an additional \$743,960 will be recognized as closure and postclosure care expenses between the date of the balance sheet, and the year 2037, in 24 years, the date the landfill is expected to reach full capacity. The estimated total current cost of the landfill closure and postclosure care is \$1,700,000 and is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2014. The actual cost of closure and postclosure care may be higher due to inflation, changes in technology, and/or changes in the landfill laws and regulations.

The City is required by state and federal laws and regulations to demonstrate financial responsibility for closure and postclosure care costs. The City was in compliance with the requirements for inert landfills at December 31, 2014.

3-1. Long-Term Debt

General Obligation Bonds - The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities.

General obligation bonds are secured by the full faith and credit of the City. These bonds are payable from taxes levied on all property located within the City, sales taxes collected within the City, and from proprietary revenues, if the bonds were issued for proprietary activities. General obligation bonds currently outstanding are as follows:

1997 Hospital General Obligation Bonds – issued to finance improvements for the Ketchikan General Hospital, refunded March 22, 2005, due in annual installments through October 1, 2017, bearing interest rates of 2.75-5.00%.

2010 Fire Station General Obligation Bonds – issued to finance construction of a new fire station for the Ketchikan Fire Department, issued December 9, 2010, due in annual installments through August 1, 2030, bearing interest rates of 1.422 – 6.256%.

2012 Library Facilities General Obligation Bonds – issued to finance construction of a new library for the Ketchikan area, issued May 1, 2012, due in annual installments through September 1, 2031, bearing interest rates of 2.00 – 5.00%.

2014 Harbor General Obligation Bonds – issued to finance harbor improvements for Bar Harbor South, issued June 19, 2014, due in annual installments through June 1, 2034, bearing interest rates of 3.00 – 5.00%.

2014 Hospital General Obligation Bonds – issued to finance construction of an addition to the Ketchikan Medical Center, issued June 19, 2014, due in annual installments through June 1, 2044, bearing interest rates of 4.00 – 5.00%.

Wastewater General Obligation Bonds, ADEC Clean Water Fund 481011 – issued to finance the replacement of a portion of the Tongass Avenue sewer main, due in semiannual installments through May 1, 2032 bearing an interest rate of 1.5%.

Wastewater General Obligation Bonds, ADEC Clean Water Fund 481071 – issued to finance the replacement of a portion of the Tongass Avenue sewer main, bearing an interest rate of 1.5%, due in semiannual installments through November 1, 2033.

Wastewater General Obligation Bonds, ADEC Clean Water Fund 481072 – issued to finance the replacement of a portion of the Tongass Avenue sewer main, bearing an interest rate of 1.5%, due in semiannual installments through November 1, 2033.

Note 3 - Detailed Notes on All Funds (Continued)

Wastewater General Obligation Bonds, ADEC Clean Water Fund 481101 – issued to finance the replacement of a portion of the Jackson/Monroe Avenue sewer main, bearing an interest rate of 1.5%. The amount authorized is \$2,603,505. As of December 31, 2014, the City had incurred \$1,307,579 of construction costs eligible for funding from this loan program. The amount to be borrowed and the loan amortization schedule will be finalized upon completion of the project.

Annual debt service requirements to amortize general obligation bonds outstanding, as of December 31, 2014 follow:

Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,315,000	\$ 2,480,700	\$ 3,795,700	\$ 68,032	\$ 20,812	\$ 88,844
2016	1,365,000	2,424,650	3,789,650	69,056	19,787	88,843
2017	1,420,000	2,364,493	3,784,493	70,096	18,748	88,844
2018	1,430,000	2,279,568	3,709,568	71,152	17,692	88,844
2019	1,495,000	2,209,224	3,704,224	72,223	16,621	88,844
2020-2024	8,555,000	9,857,224	18,412,224	377,756	66,463	444,219
2025-2029	10,675,000	7,510,006	18,185,006	407,063	37,156	444,219
2030-2034	9,775,000	5,128,041	14,903,041	269,013	7,692	276,705
2035-2039	9,395,000	3,263,500	12,658,500	-	-	-
2040-2044	11,470,000	1,183,600	12,653,600	-	-	-
Total	\$ 56,895,000	\$ 38,701,006	\$ 95,596,006	\$ 1,404,391	\$ 204,971	\$ 1,609,362

This amortization schedule does not include \$1,307,579 for Wastewater Clean Water Loan Funds because the projects are not complete.

Revenue Bonds - The City issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay for debt service. All revenue bonds issued by the City have been recorded in the Ketchikan Public Utilities, Port or Wastewater Enterprise Funds and are described below:

KPU Revenue Bonds, 1997, Series T –Amended – issued to finance the expansion of diesel generation capacity, refunded October 20, 2005, due in annual installments through June 1, 2017, bearing interest rates of 3.00 – 5.75%.

KPU Revenue Bonds, 2008, Series W, Clean Renewable Energy Tax Credit – issued to finance a hydroelectric modernization project, dated July 10, 2008, due in annual installments through December 15, 2022 bearing an interest rate of .750%.

KPU Revenue Bonds, 2013, Series X– issued to finance a hydroelectric project, dated June 19, 2013, due in annual installments through June 1, 2033 bearing an interest rates of 2.00 – 5.00%.

KPU Revenue Bonds, ADEC Drinking Water Fund 481021– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the replacement of a portion of the Tongass Avenue water main, due in semiannual installments through May 1, 2032.

KPU Revenue Bonds, ADEC Drinking Water Fund 481051– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the construction of a water treatment facility, due in semiannual installments through November 1, 2033. The amount authorized is \$5.5 million. As of December 31, 2014 the City had incurred \$3,745,005 in constructions costs of which \$3,531,178 has been put into a loan schedule. An additional \$213,827 in construction costs eligible for funding from this loan program has been incurred as of December 31, 2014. The additional amount to be borrowed and loan amortization schedule will be finalized upon completion of the project.

Note 3 - Detailed Notes on All Funds (Continued)

KPU Revenue Bonds, ADEC Drinking Water Fund 481061— issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the replacement of a portion of Tongass Avenue water main, due in semiannual installments through November 1, 2033.

KPU Revenue Bonds, ADEC Drinking Water Fund 481091— issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the construction of the Baranof reservoir replacement, due in semiannual installments through November 1, 2033.

KPU Revenue Bonds, ADEC Drinking Water Fund 481121— issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the construction of the Baranof reservoir replacement, due in semiannual installments through November 1, 2033.

KPU Revenue Bonds, ADEC Drinking Water Fund 481141— issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the construction of the Jackson/Monroe replacement. The amount authorized is \$2,217,795. As of December 31, 2014 the City incurred \$1,616,031 in construction costs eligible for funding from this loan program. The amount to be borrowed and the loan amortization schedule will be finalized upon completion of the project.

Port Revenue Bonds, 2006 Series — issued to finance the port expansion and reconfiguration project, dated July 26, 2006, due in annual installments through December 1, 2035, bearing interest rates of 4.25 – 5.50%.

Wastewater Revenue Bonds, ADEC Clean Water Fund 481111 — issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the replacement of a portion of the Alaska Avenue sewer main, due in semiannual installments through November 1, 2033.

Annual debt service requirements to amortize revenue bonds outstanding, as of December 31, 2014 follow:

Year	Principal	Interest	Total
2015	\$ 2,943,450	\$ 2,503,238	\$ 5,446,688
2016	3,063,319	2,392,081	5,455,400
2017	3,178,263	2,278,923	5,457,186
2018	1,968,280	2,177,915	4,146,195
2019	2,048,374	2,099,872	4,148,246
2020-2024	11,440,992	9,113,135	20,554,127
2025-2029	14,080,330	6,234,997	20,315,327
2030-2034	15,968,940	2,704,491	18,673,431
2035	2,455,000	122,750	2,577,750
Total	\$ 57,146,948	\$ 29,627,402	\$ 86,774,350

This amortization schedule does not include \$1,829,858 for KPU Water Drinking Water Loan Funds because the projects are not complete.

(This page continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	in One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 14,035,000	\$ 44,040,000	\$ 1,180,000	\$ 56,895,000	\$ 1,315,000
Plus deferred amounts:					
For issuance premiums	500,682	2,134,130	88,367	2,546,445	88,367
Total bonds payable	14,535,682	46,174,130	1,268,367	59,441,445	1,403,367
Landfill closure costs	951,540	4,500		956,040	-
Compensated absences	1,300,924	1,082,361	1,055,994	1,327,291	132,729
Total Governmental Activities	<u>\$ 16,788,146</u>	<u>\$ 47,260,991</u>	<u>\$ 2,324,361</u>	<u>\$ 61,724,776</u>	<u>\$ 1,536,096</u>
Business-Type Activities					
Bonds payable:					
General obligation bonds	\$ 2,750,427	\$ 28,564	\$ 67,021	\$ 2,711,970	\$ 68,030
Revenue bonds	61,714,415	237,444	2,975,054	58,976,805	2,943,450
Plus deferred amounts:					
For issuance premiums	2,481,988		156,376	2,325,612	144,045
Total bonds payable	66,946,830	266,008	3,198,451	64,014,387	3,155,525
Compensated absences	852,444	1,102,809	1,110,651	844,602	84,460
Total Business-Type Activities	<u>\$ 67,799,274</u>	<u>\$ 1,368,817</u>	<u>\$ 4,309,102</u>	<u>\$ 64,858,989</u>	<u>\$ 3,239,985</u>

The general obligation bonds for governmental activities are being retired by the general obligation bond debt service fund.

The landfill closure costs are being paid from the solid waste services fund. Principal and interest payments related to the City's revenue bonds are financed from income derived from the operations of the Ketchikan Public Utilities and Port Enterprise funds. The general obligation bonds for business-type activities are being retired from resources derived from the operations of the Port enterprise fund. The compensated absences liability is being liquidated from the compensated absences fund.

Defeased Bonds Outstanding - In prior years, the City issued general obligation and municipal utility revenue refunding bonds to defease certain outstanding general obligation and municipal utility revenue bonds to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to insure payment of debt service on the refunded bonds. Accordingly, the trust assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. As of December 31, 2014, \$6,035,000 of the bonds outstanding was considered defeased.

3-J. Pensions

Substantially, all regular full-time and part-time (regular part-time is defined as an employee who regularly works at least 15 but less than 30 hours per week) employees of the City are members of the Alaska Public Employees' Retirement System (PERS) except for employees who are members of the International Brotherhood of Electrical Workers (IBEW). IBEW members participate in a union sponsored defined benefit plan.

Note 3 - Detailed Notes on All Funds (Continued)

Alaska Public Employees' Retirement System

Plan Description

The State of Alaska Public Employees Retirement System (PERS) is a cost sharing multiple employer plan established and administered by the State of Alaska. The retirement system provides pension, post-employment health care, death and disability benefits to eligible employees, and includes a defined benefit plan (Tiers I, II, and III) and a defined contribution plan (Tier IV). All new employees hired after June 30, 2006 who are participating for the first time in the PERS must enroll in the defined contribution plan. Benefits and contribution provisions are established by State law and may be amended only by the Alaska State Legislature.

The Division of Retirements and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to:

Department of Administration
Division of Retirements and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

Or by calling (907) 465-4460

Funding

Defined Benefit Plan - Employee contribution rates are required by State statute. The funding policy for PERS provides for employer contributions at actuarially determined rates that are sufficient to accumulate sufficient assets to pay benefits when due.

	Pension and Postemployment	
	1/1/14 - 6/30/14	7/1/14 - 12/31/14
Contribution Rates		
Employee Rate:		
Police Officers and Firefighters	7.50%	7.50%
Other Employees	6.75%	6.75%
Actuarially Required Employer Rate:		
Police Officers and Firefighters	35.68%	44.03%
Other Employees	35.68%	44.03%
Adjusted Actual Employer Rate:		
Police Officers and Firefighters	22.00%	22.00%
Other Employees	22.00%	22.00%

The actuarially determined 2014 employer contribution rate for the City was 35.68% percent from January 1 to June 30, 2014 and 44.03% percent from July 1 to December 31, 2014. The City's actual employer contribution was 22 percent, established by Alaska State Legislature with the adoption of Senate Bill 125. The State of Alaska is currently contributing the difference between the actuarial required contributions and the amount employers are required to contribute. The City accounts for the contributions from the State as on-behalf payments for fringe benefits. In 2014, the State contributed \$2,632,399, \$2,330,922 for pension and \$301,477 for post-employment healthcare, to the PERS on behalf of the City. These amounts were reported as intergovernmental revenues and pension related expenditures/expenses.

Note 3 - Detailed Notes on All Funds (Continued)

The annual pension and other post-employment benefit costs for the year ended December 31, 2014 and the amounts actually contributed by the City are listed below:

	Annual Contribution	Pension	Postemployment	Total	Percentage of Required Contribution
2014		\$ 955,643	\$ 720,924	\$ 1,676,567	100%
2013		993,937	679,357	1,673,294	100%
2012		880,061	812,364	1,692,425	100%

Defined Contribution Plan – Funding, as required by state statute are as follows:

	Pension and Postemployment	
	1/1/14 - 6/30/14	7/1/14 - 12/31/14
Pension Contribution Rates		
Employee Rate:		
Police Officers and Firefighters	8.00%	8.00%
Other Employees	8.00%	8.00%
Employer Rate:		
Police Officers and Firefighters	5.00%	5.00%
Other Employees	5.00%	5.00%
Health Contribution Rates		
Employer Health Rate*:		
Police Officers and Firefighters	0.48%	1.66%
Other Employees	0.48%	1.66%
Employer Occupational Disability & Death Rate*:		
Police Officers and Firefighters	1.14%	1.06%
Other Employees	0.20%	0.22%
Health Reimbursement Account:		
Police Officers and Firefighters	\$158.05/month**	\$163.38/month**
Other Employees	\$158.05/month**	\$163.38/month**

* Actuarial determined rates.

** Flat dollar amount per employee based on 3% of the employer's average annual employee compensation, calculated by PERS administrator. Rate letters to be distributed annually. (Per AS39.30.370.)

Total defined contribution wages were \$3,396,993 in 2014, members contributed \$272,066 and the City contributed \$315,509 to fund the defined contribution retirement plan.

International Brotherhood of Electrical Workers

The International Brotherhood of Electrical Workers (IBEW) retirement plan is a union sponsored defined benefit plan. The plan is funded entirely by employer contributions based upon hourly rates, which are determined by a collective bargaining process. The City's obligation for retirement under the IBEW plan is limited to the amount paid to the Alaska Electrical Trust Fund. The City exercises no fiduciary responsibility over the IBEW plan. Accordingly, the City accounts for the IBEW retirement plan as if it were a defined contribution plan. Employees who are members of the IBEW are eligible to participate immediately upon employment and are fully vested after ten years of service.

Contributions for employees covered under the public works and clerical workers collective bargaining agreement range from \$2.50 to \$4.07 per hour worked; contributions for employees covered under the Ketchikan Public Utilities collective bargaining agreement range from \$3.09 to \$5.64 per hour for craft employees and \$2.75 to \$4.32 for non-craft employees. The City's total payroll for the year ended December 31, 2014 was \$20,804,144 and payroll for covered employees totaled \$10,390,118. The total amount contributed to the IBEW plan in 2014 was \$1,534,101, which represents 14.76% of the City's current covered payroll.

Note 3 - Detailed Notes on All Funds (Continued)

3-K. Net Investment in Capital Assets

Net Investment in capital assets on the government-wide statement of net position as of December 31, 2014 are as follows:

	Governmental Activities	Business-type Activities
Cost of capital assets	\$ 210,282,572	\$ 335,209,868
Less accumulated depreciation	(52,930,859)	(146,777,709)
Book value	157,351,713	188,432,159
Less capital related debt	(13,503,506)	(64,014,387)
Plus bond discount and refunding amounts	60,887	61,284
Net investment in capital assets	\$ 143,909,094	\$ 124,479,056

3-L. Deferred Inflows and Outflows of Resources

Deferred inflows of resources consist of revenues earned but unavailable for use. The City's deferred inflows of resources consist of taxes in the amount of \$2,140,355 and charges for services in the amount of \$56,997.

Deferred outflows of resources consist of deferred charges on debt refundings resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt and totaled \$122,171.

Note 4- Other Notes

4-A. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and natural disasters. The City utilizes a self-insurance fund to account for and finance its uninsured risks of loss and insurance deductibles. The Self-Insurance Fund provides coverage up to a maximum of \$25,000 for each property claim, \$75,000 for each general liability claim, and \$100,000 for each employment practices claim. The City purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded this commercial coverage in two of the past three fiscal years. All funds of the City participate in the risk management program and make payments to the Self-Insurance Fund based on the amounts needed to pay insurance and related risk management services, claims paid, claims incurred, but not reported, and to maintain adequate reserves for losses not covered by insurance. As of December 31, 2014, the City had a net position of \$1,692,676 in the Self-Insurance Fund. Claims payable represents estimates of claims incurred but not settled and claims incurred but not reported based upon past experience modified for current trends and information, which approximates the actuarial estimates of the amounts needed to pay the claims. At December 31, 2014 pending claims in the amount of \$143,000 and unpaid incurred claims in the amount of \$115,399 are included as a liability of the self-insurance fund. Amounts due within one year are \$115,399.

Changes in the balances of claims liabilities for the years ended December 31, 2014, 2013 and 2012 are as follows:

Date	(1) Beginning of Fiscal Year Liability	(2) Current Year Claims and Changes in Estimates	(3) Claim Payments	(4) End of Fiscal Year Liability
2012	\$ 269,204	\$ 164,823	\$ 99,972	\$ 334,055
2013	334,055	39,066	117,498	255,623
2014	255,623	115,399	112,623	258,399

There were no significant reductions in insurance coverage from the prior year.

Note 4 - Other Notes (Continued)

4-B. Contingent Liabilities

Grants - The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. The City believes such disallowances, will be immaterial except.

Litigation - The City is a defendant in various lawsuits and a number of claims for damages and personal injury are pending against the City. Although the outcome of these lawsuits and claims is not presently determinable, in the opinion of City's management and legal counsel, the resolution of these contingencies should not have a material adverse effect on the financial condition of the City.

4-C. Swan Lake Hydroelectric Facility and Related Party Transactions

The City's electric utility currently operates five hydroelectric and two diesel electric generating plants. The City owns four of the hydroelectric plants and the diesel plants. The fifth hydroelectric plant is the 22.5 mega-watt Swan Lake facility owned by the Southeast Alaska Power Agency (the "SEAPA"), a joint action agency organized under AS 42.45.300 by the City and the municipalities of Wrangell, Alaska and Petersburg, Alaska. The SEAPA is an Alaskan public corporation and an instrumentality of the member utilities, having a legal existence independent of and separate from the member utilities. The agency has no power to bind, obligate or impose any debt, liability, or obligation on any member utility. Each member utility appoints representatives to serve as voting members of the SEAPA's five-member governing board. The City appoints two representatives. Wrangell and Petersburg each appoint one representative. One representative serves at large on a rotating basis. The SEAPA is a jointly governed organization. Members of the jointly governed organization have neither ongoing financial interest nor financial responsibility for that organization.

The City operates and maintains the Swan Lake hydroelectric facility under the terms of a long-term operating agreement with the SEAPA. The City also purchases power from the SEAPA under the terms and conditions of a long-term power sales agreement. In 2014, the SEAPA paid the City \$820,871 to operate the Swan Lake hydroelectric facility. The City paid the SEAPA \$5,674,201 for power purchased from the Swan Lake hydroelectric facility. During 2014, approximately 51% of the City's total electric generation, or 87,923,000 kWh, was produced by the Swan Lake hydroelectric facility. At December 31, 2014, the amount due to the SEAPA was \$969,248.

4-D. Ketchikan Public Utilities-Sale of the Telecommunications Division

On April 6, 2010, the voters of the City authorized the sale of the Telecommunications Division of Ketchikan Public Utilities for no less than fair market value as determined by an appraiser, subject to City Council approval. The voters also approved the establishment of a rate stabilization fund to account for the net proceeds from the sale. The City has engaged a broker specializing in telecommunications transactions to locate a buyer. Several prospective buyers have approached the City but no offers have been tendered.

4-E. Violation of Stage I Disinfectants/Disinfection Byproducts Rule

In 2005, the Alaska Department of Environmental Conservation (ADEC) cited the municipal water system owned and operated by the City of Ketchikan d/b/a Ketchikan Public Utilities for exceeding acceptable levels of haloacetic acids. This occurrence was deemed to be a violation of the Stage I Disinfection and Disinfection Byproducts Rule and the City was ordered to correct the violation or begin water filtration. The City chose to construct a facility that uses ultraviolet for primary disinfection and chloramines for residual disinfection. In April 2014, the new water treatment facility was placed in service. While the initial results from operating the new facility showed an improvement in the levels of haloacetic acids, it was determined that the improvement was insufficient to correct the violation of the Stage I Disinfection and Disinfection Byproduct Rule. In addition, it has been determined that the municipal water system is experiencing water coliform levels that exceed acceptable levels. In December of 2014, the City entered into a second compliance order by consent with ADEC to construct a two-point chlorination facility in order to address the issue of elevated chloramines and coliform in the municipal water system. In June 2015, the City awarded a \$1.36 million contract to construct the two-point chlorination facility.

Note 4 - Other Notes (Continued)

4-F. Issuance of Debt

In 2015, the City issued general obligation refunding bond totaling \$2.28 million to refund its 1997 Hospital General Obligation Bond. Net present value savings of \$129,786 were realized. The refunding bond will mature in 2017.

Required Supplementary Information
City of Ketchikan, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes						
Real & personal property taxes	\$ 5,744,628	\$ 5,744,628	\$ 5,801,986	\$ -	\$ 5,801,986	\$ 57,358
Automobile & boat taxes	35,000	35,000	48,747	-	48,747	13,747
Penalty & interest	40,000	40,000	56,487	-	56,487	16,487
Senior citizen local contribution	(405,000)	(405,000)	(427,956)	-	(427,956)	(22,956)
Sales tax	4,874,000	4,874,000	3,746,390	-	3,746,390	(1,127,610)
Payments in lieu of taxes	10,000	10,000	11,896	-	11,896	1,896
	<u>10,298,628</u>	<u>10,298,628</u>	<u>9,237,550</u>	<u>-</u>	<u>9,237,550</u>	<u>(1,061,078)</u>
Payments in lieu of taxes						
Ketchikan public utilities fund	786,000	786,000	-	786,000	786,000	-
Port fund	319,000	319,000	-	319,000	319,000	-
Wastewater services fund	80,000	80,000	-	80,000	80,000	-
	<u>1,185,000</u>	<u>1,185,000</u>	<u>-</u>	<u>1,185,000</u>	<u>1,185,000</u>	<u>-</u>
Licenses and permits						
Entertainment	500	500	-	-	-	(500)
Building permits	73,500	73,500	95,788	-	95,788	22,288
Other	1,600	1,600	2,210	-	2,210	610
	<u>75,600</u>	<u>75,600</u>	<u>97,998</u>	<u>-</u>	<u>97,998</u>	<u>22,398</u>
Intergovernmental						
Federal fire grants	-	3,500	102,989	-	102,989	99,489
Liquor licenses tax	30,000	30,000	48,000	-	48,000	18,000
Other state revenues	648,550	688,493	2,480,548	(1,969,201)	511,347	(177,146)
Federal revenues		1,000	3,000	-	3,000	2,000
	<u>678,550</u>	<u>722,993</u>	<u>2,634,537</u>	<u>(1,969,201)</u>	<u>665,336</u>	<u>(57,657)</u>
Charges for services						
Ambulance	500,000	500,000	606,369	-	606,369	106,369
Rentals	13,000	13,000	16,567	-	16,567	3,567
Parking fees	90,000	90,000	76,520	-	76,520	(13,480)
Cemetery	1,000	1,000	842	-	842	(158)
Library services	622,100	622,100	641,607	-	641,607	19,507
Museum services	202,700	202,700	215,571	-	215,571	12,871
E-911 emergency dispatch services	400,000	400,000	418,178	-	418,178	18,178
Civic center services	147,500	147,500	90,717	-	90,717	(56,783)
Other charges	131,500	131,500	50,035	-	50,035	(81,465)
	<u>2,107,800</u>	<u>2,107,800</u>	<u>2,116,406</u>	<u>-</u>	<u>2,116,406</u>	<u>8,606</u>
Fines and forfeitures						
Parking fines	105,000	105,000	68,443	-	68,443	(36,557)
Other fines	8,500	8,500	29,034	-	29,034	20,534
Court deposits	38,000	38,000	14,788	-	14,788	(23,212)
	<u>151,500</u>	<u>151,500</u>	<u>112,265</u>	<u>-</u>	<u>112,265</u>	<u>(39,235)</u>
Investment earnings	1,000	1,000	285	-	285	(715)
Other revenue						
Miscellaneous	79,417	79,417	69,849	-	69,849	(9,568)
Interdepartmental charges	3,438,000	3,438,000	3,150,268	-	3,150,268	(287,732)
Total Revenues	<u>18,015,495</u>	<u>18,059,938</u>	<u>17,419,158</u>	<u>(784,201)</u>	<u>16,634,957</u>	<u>(1,424,981)</u>

Required Supplementary Information
City of Ketchikan, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Cont'd)
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Expenditures						
Current:						
General government						
Mayor and council	176,940	192,940	186,778	(9,147)	177,631	15,309
City Clerk	249,566	249,566	280,913	(31,416)	249,497	69
Law	384,062	384,062	341,312	(21,627)	319,685	64,377
City Manager	731,515	731,515	754,085	(99,523)	654,562	76,953
Finance	1,853,844	1,861,960	2,014,090	(214,452)	1,799,638	62,322
Information Technology	1,131,623	1,131,623	1,187,298	(105,425)	1,081,873	49,750
	<u>4,527,550</u>	<u>4,551,666</u>	<u>4,764,476</u>	<u>(481,590)</u>	<u>4,282,886</u>	<u>268,780</u>
Public safety						
Fire	3,235,110	3,265,773	3,616,698	(493,023)	3,123,675	142,098
Police	4,988,282	4,992,282	5,261,014	(724,970)	4,536,044	456,238
	<u>8,223,392</u>	<u>8,258,055</u>	<u>8,877,712</u>	<u>(1,217,993)</u>	<u>7,659,719</u>	<u>598,336</u>
Culture						
Library	1,331,852	1,332,852	1,293,286	(55,395)	1,237,891	94,961
Museum	886,787	895,567	792,777	(44,697)	748,080	147,487
Civic Center	435,989	435,989	441,728	(34,288)	407,440	28,549
	<u>2,654,628</u>	<u>2,664,408</u>	<u>2,527,791</u>	<u>(134,380)</u>	<u>2,393,411</u>	<u>270,997</u>
Health and welfare						
Public Health	15,000	15,000	11,211	-	11,211	3,789
Public works						
Engineering	1,710,554	1,710,554	1,555,163	(107,052)	1,448,111	262,443
Streets	1,782,125	1,782,125	1,630,234	(25,053)	1,605,181	176,944
Cemetery	86,000	86,000	74,513	2,456	76,969	9,031
Garage	526,055	526,055	479,516	(23,746)	455,770	70,285
Building Maintenance	429,575	429,575	367,971	160	368,131	61,444
	<u>4,534,309</u>	<u>4,534,309</u>	<u>4,107,397</u>	<u>(153,235)</u>	<u>3,954,162</u>	<u>580,147</u>
Total Expenditures	<u>19,954,879</u>	<u>20,023,438</u>	<u>20,288,587</u>	<u>(1,987,198)</u>	<u>18,301,389</u>	<u>1,722,049</u>
Deficiency of Revenues Under Expenditures	<u>(1,939,384)</u>	<u>(1,963,500)</u>	<u>(2,869,429)</u>	<u>1,202,997</u>	<u>(1,666,432)</u>	<u>297,068</u>

Required Supplementary Information
City of Ketchikan, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Cont'd)
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Other Financing Sources (Uses)						
Transfers in						
Sales tax hospital and other public works fund	420,000	420,000	420,000	-	420,000	-
Sales tax public works fund	2,000,000	2,000,000	2,000,000	-	2,000,000	-
Transient occupancy tax fund	364,000	364,000	312,049	-	312,049	(51,951)
Shoreline area fund	6,374	6,374	6,374	-	6,374	-
Bayview cemetery fund	5,000	5,000	5,000	-	5,000	-
Ketchikan public utilities fund	-	-	786,000	(786,000)	-	-
Port fund	138,835	138,835	430,642	(319,000)	111,642	(27,193)
Wastewater services fund	-	-	80,000	(80,000)	-	-
Transfers out						
GO bond debt service fund	(361,044)	(371,573)	(371,572)	-	(371,572)	1
Community grant fund	(51,147)	(51,147)	(51,147)	-	(51,147)	-
Sale of capital assets	10,000	10,000	17,696	-	17,696	7,696
Total Other Financing Sources (Uses)	2,532,018	2,521,489	3,635,042	(1,185,000)	2,450,042	(71,447)
Net Change in Fund Balances	592,634	557,989	765,613	17,997	783,610	225,621
Fund Balances Beginning of Year	3,513,662	3,513,662	4,074,588	(332,515)	3,742,073	228,411
Fund Balances End of Year	\$ 4,106,296	\$ 4,071,651	\$ 4,840,201	\$ (314,518)	\$ 4,525,683	\$ 454,032

City of Ketchikan, Alaska
Notes to Required Supplementary Information
For the Year Ended December 31, 2014

Note 1 – Budgetary Basis

The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that outstanding encumbrances are reported as expenditures and payments made by the State of Alaska to the Alaska Public Employees Retirement System on behalf of the City are not included in the adopted budget for the General Fund.

GOVERNMENTAL FUNDS

City of Ketchikan, Alaska
Combining Balance Sheet
Nonmajor Governmental Funds - by Fund Type
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	\$ 5,092,638	\$ 2,277,291	\$ 7,369,929
Restricted cash:			
Bond construction funds	-	515,815	515,815
Property seizure funds	162,752	-	162,752
Commercial passenger excise tax funds	-	-	-
Receivables:			
Accounts	308,148	-	308,148
Taxes	65,613	-	65,613
Intergovernmental	108,724	-	108,724
Interest	-	28,000	28,000
Advances from other funds	-	700,000	700,000
Unbilled revenue	53,216	-	53,216
Total Assets	\$ 5,791,091	\$ 3,521,106	\$ 9,312,197
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 318,069	\$ -	\$ 318,069
Customer deposits payable	9,701	-	9,701
Interfund payable	25,077	-	25,077
Unearned revenue	128,153	-	128,153
Advances to other funds	-	-	-
Total Liabilities	481,000	-	481,000
Deferred Inflows of Resources	65,613	-	65,613
Fund Balances			
Restricted:			
Law enforcement	162,752	-	162,752
Commercial passenger excise tax	-	-	-
Bond construction funds	-	515,815	515,815
Assigned:			
Subsequent years budget	1,499,050	-	1,499,050
Public safety	-	-	-
Culture and tourism	178,479	-	178,479
Collection and disposal of solid waste	2,527,895	-	2,527,895
Cemetery operations	127,305	-	127,305
Harbor operations	748,997	-	748,997
Harbor construction	-	-	-
Public works projects	-	3,005,291	3,005,291
Total Fund Balances	5,244,478	3,521,106	8,765,584
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,791,091	\$ 3,521,106	\$ 9,312,197

City of Ketchikan, Alaska
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - by Fund Type
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 389,342	\$ -	\$ -	\$ 389,342
Intergovernmental	2,639,088	-	-	2,639,088
Charges for services	4,174,185	-	-	4,174,185
Fines and forfeitures	153,833	-	-	153,833
Investment earnings	(137)	-	28,117	27,980
Contributions	-	-	131,487	131,487
Miscellaneous	42,152	135,704	-	177,856
Total Revenues	7,398,463	135,704	159,604	7,693,771
Expenditures				
Current:				
Public safety	79,282	-	-	79,282
Health and welfare	2,417,264	-	-	2,417,264
Public works	2,861,981	-	12,010	2,873,991
Port and harbor	1,284,723	-	-	1,284,723
Debt Service:				
Principal retirement	-	1,180,000	-	1,180,000
Interest and fiscal charges	-	1,444,671	-	1,444,671
Total Expenditures	6,643,250	2,624,671	12,010	9,279,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	755,213	(2,488,967)	147,594	(1,586,160)
Other Financing Sources (Uses)				
Sale of capital assets	76	-	-	76
Transfers in	-	2,488,967	-	2,488,967
Transfers out	(317,049)	-	(488,730)	(805,779)
Total Other Financing Sources (Uses)	(316,973)	2,488,967	(488,730)	1,683,264
Net Change in Fund Balances	438,240	-	(341,136)	97,104
Fund Balances Beginning of Year	4,806,238	-	3,862,242	8,668,480
Fund Balances End of Year	\$ 5,244,478	\$ -	\$ 3,521,106	\$ 8,765,584

NONMAJOR SPECIAL REVENUE FUNDS

Transient Tax Fund – This fund is used to account for the proceeds of the seven (7) percent transient occupancy tax levied on hotel rent under Section 3.28 of the Ketchikan Municipal Code. These funds must be used primarily for the purpose of promoting the City but may be used for other purposes as determined by the City Council.

Solid Waste Services Fund – This fund is used to account for the revenues received from the collection and disposal of solid waste and the related expenditure of the funds.

Ketchikan Boat Harbor Fund – This fund is used to account for the revenues received from the operation of the boat harbor facilities. These revenues must be used to pay the cost of maintenance, operation and supervision of the City's boat harbor facilities as specified in Section 14.04.020 of the Ketchikan Municipal Code.

Bayview Cemetery Fund – This fund is used to account for revenues received that are dedicated to support the operation of the Bayview Cemetery and the related expenditure in these funds.

Federal and State Grant Fund – This fund is used to account for the receipt of grant revenues and to account for the related expenditures. This fund was formerly called the Pass-Through Grant Fund.

US Marshall Property Seizure Fund – This fund is used to account for revenues received from the seizure of assets during drug enforcement operations that are dedicated to law enforcement activities.

City of Ketchikan, Alaska
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Transient Tax	Solid Waste Services	Ketchikan Boat Harbor
Assets			
Cash and temporary investments	\$ 178,479	\$ 3,652,957	\$ 1,119,897
Restricted cash			
Receivables:			
Accounts	-	292,513	15,635
Taxes	65,613	-	-
Intergovernmental	-	-	21,617
Unbilled revenue	-	53,216	-
Total Assets	\$ 244,092	\$ 3,998,686	\$ 1,157,149
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 215,348	\$ 40,691
Customer deposits payable			9,701
Interfund payable	-	-	-
Unearned revenue	-	-	128,153
Total Liabilities	-	215,348	178,545
Deferred Inflows of Resources	65,613	-	-
Fund Balances			
Restricted:			
Law enforcement	-	-	-
Assigned:			
Subsequent years budget	-	1,255,443	229,607
Culture and tourism	178,479	-	-
Collection and disposal of solid waste	-	2,527,895	-
Cemetery operations	-	-	-
Harbor operations	-	-	748,997
Total Fund Balances	178,479	3,783,338	978,604
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 244,092	\$ 3,998,686	\$ 1,157,149

Bayview Cemetery	Federal and State Grant	US Marshall Property Seizure	Total Nonmajor Special Revenue Funds
\$ 141,305	\$ -	\$ - 162,752	\$ 5,092,638 162,752
-	-	-	308,148
-	-	-	65,613
-	87,107	-	108,724
-	-	-	53,216
<u>\$ 141,305</u>	<u>\$ 87,107</u>	<u>\$ 162,752</u>	<u>\$ 5,791,091</u>
\$ -	\$ 62,030	\$ -	\$ 318,069
-	25,077	-	9,701
-	-	-	25,077
-	-	-	128,153
-	87,107	-	481,000
-	-	-	65,613
-	-	162,752	162,752
14,000	-	-	1,499,050
-	-	-	178,479
-	-	-	2,527,895
127,305	-	-	127,305
-	-	-	748,997
<u>141,305</u>	<u>-</u>	<u>162,752</u>	<u>5,244,478</u>
<u>\$ 141,305</u>	<u>\$ 87,107</u>	<u>\$ 162,752</u>	<u>\$ 5,791,091</u>

City of Ketchikan, Alaska
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Transient Tax	Solid Waste Services	Ketchikan Boat Harbor
Revenues			
Taxes	\$ 389,342	\$ -	\$ -
Intergovernmental	-	20,727	121,815
Charges for services	-	2,907,531	1,247,810
Fines and forfeitures	-	-	1,953
Investment earnings	(5)	(88)	(57)
Miscellaneous	-	42,150	2
Total Revenues	<u>389,337</u>	<u>2,970,320</u>	<u>1,371,523</u>
Expenditures			
Current:			
Public safety	-	-	-
Health and welfare	-	-	-
Public works	-	2,856,706	-
Port and harbors	-	-	1,284,723
Total Expenditures	<u>-</u>	<u>2,856,706</u>	<u>1,284,723</u>
Excess of Revenues Over Expenditures	<u>389,337</u>	<u>113,614</u>	<u>86,800</u>
Other Financing Sources (Uses)			
Sale of capital assets	-	-	76
Transfers out	(312,049)	-	-
Total Other Financing Sources (Uses)	<u>(312,049)</u>	<u>-</u>	<u>76</u>
Net Change in Fund Balances	77,288	113,614	86,876
Fund Balances Beginning Of Year	<u>101,191</u>	<u>3,669,724</u>	<u>891,728</u>
Fund Balances End Of Year	<u><u>\$ 178,479</u></u>	<u><u>\$ 3,783,338</u></u>	<u><u>\$ 978,604</u></u>

Bayview Cemetery	Federal and State Grant	US Marshall Property Seizure	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 389,342
-	2,496,546	-	2,639,088
18,844	-	-	4,174,185
-	-	151,880	153,833
(2)	-	15	(137)
-	-	-	42,152
<u>18,842</u>	<u>2,496,546</u>	<u>151,895</u>	<u>7,398,463</u>
-	79,282	-	79,282
-	2,417,264	-	2,417,264
5,275	-	-	2,861,981
-	-	-	1,284,723
<u>5,275</u>	<u>2,496,546</u>	<u>-</u>	<u>6,643,250</u>
<u>13,567</u>	<u>-</u>	<u>151,895</u>	<u>755,213</u>
-	-	-	76
(5,000)	-	-	(317,049)
(5,000)	-	-	(316,973)
8,567	-	151,895	438,240
<u>132,738</u>	<u>-</u>	<u>10,857</u>	<u>4,806,238</u>
<u>\$ 141,305</u>	<u>\$ -</u>	<u>\$ 162,752</u>	<u>\$ 5,244,478</u>

City of Ketchikan, Alaska
Transient Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes	\$ 350,000	\$ 350,000	\$ 389,342	\$ -	\$ 389,342	\$ 39,342
Investment earnings	10	10	(5)	-	(5)	(15)
Total Revenues	<u>350,010</u>	<u>350,010</u>	<u>389,337</u>	<u>-</u>	<u>389,337</u>	<u>39,327</u>
Other Financing Uses						
Transfers out						
General fund	(364,000)	(364,000)	(312,049)	-	(312,049)	51,951
Total Other Financing Uses	<u>(364,000)</u>	<u>(364,000)</u>	<u>(312,049)</u>	<u>-</u>	<u>(312,049)</u>	<u>51,951</u>
Net Change in Fund Balances	<u>(13,990)</u>	<u>(13,990)</u>	<u>77,288</u>	<u>-</u>	<u>77,288</u>	<u>91,278</u>
Fund Balances Beginning of Year	<u>64,994</u>	<u>64,994</u>	<u>101,191</u>	<u>-</u>	<u>101,191</u>	<u>36,197</u>
Fund Balances End of Year	<u>\$ 51,004</u>	<u>\$ 51,004</u>	<u>\$ 178,479</u>	<u>\$ -</u>	<u>\$ 178,479</u>	<u>\$ 127,475</u>

City of Ketchikan, Alaska
Solid Waste Services Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ -	\$ -	\$ 20,727	\$ (20,727)	\$ -	\$ -
Charges for services	2,973,000	2,973,000	2,907,531	-	2,907,531	(65,469)
Investment earnings	-	-	(88)	-	(88)	(88)
Miscellaneous	42,150	42,150	42,150	-	42,150	-
Total Revenues	<u>3,015,150</u>	<u>3,015,150</u>	<u>2,970,320</u>	<u>(20,727)</u>	<u>2,949,593</u>	<u>(65,557)</u>
Expenditures						
Current:						
Public works	3,437,337	3,437,337	2,856,706	(149,630)	2,707,076	730,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(422,187)	(422,187)	113,614	128,903	242,517	664,704
Fund Balances Beginning of Year	<u>3,443,898</u>	<u>3,443,898</u>	<u>3,669,724</u>	<u>(173,673)</u>	<u>3,496,051</u>	<u>52,153</u>
Fund Balances End of Year	<u>\$ 3,021,711</u>	<u>\$ 3,021,711</u>	<u>\$ 3,783,338</u>	<u>\$ (44,770)</u>	<u>\$ 3,738,568</u>	<u>\$ 716,857</u>

City of Ketchikan, Alaska
Ketchikan Boat Harbor Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ 24,000	\$ 24,000	\$ 121,815	\$ (78,034)	\$ 43,781	\$ 19,781
Charges for services	1,272,000	1,272,000	1,247,810	-	1,247,810	(24,190)
Fines and forfeitures	6,000	6,000	1,953	-	1,953	(4,047)
Investment earnings	100	100	(57)	-	(57)	(157)
Miscellaneous	-	-	2	-	2	2
Total Revenues	1,302,100	1,302,100	1,371,523	(78,034)	1,293,489	(8,611)
Expenditures						
Current:						
Port and harbor	1,494,415	1,548,438	1,284,723	(22,303)	1,262,420	286,018
Excess (Deficiency) of Revenues Over (Under) Expenditures	(192,315)	(246,338)	86,800	(55,731)	31,069	277,407
Other Financing Uses						
Sale of assets	-	-	76	-	76	76
Total Other Financing Sources	-	-	76	-	76	76
Net Change in Fund Balances	(192,315)	(246,338)	86,876	(55,731)	31,145	277,483
Fund Balances Beginning of Year	834,212	834,212	891,728	-	891,728	57,516
Fund Balances End of Year	\$ 641,897	\$ 587,874	\$ 978,604	\$ (55,731)	\$ 922,873	\$ 334,999

City of Ketchikan, Alaska
Bayview Cemetery Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Charges for services	\$ 16,500	\$ 16,500	\$ 18,844	\$ -	\$ 18,844	\$ 2,344
Investment earnings	20	20	(2)	-	(2)	(22)
Total Revenues	<u>16,520</u>	<u>16,520</u>	<u>18,842</u>	<u>-</u>	<u>18,842</u>	<u>2,322</u>
Expenditures						
Current:						
Public works	<u>24,000</u>	<u>24,000</u>	<u>5,275</u>	<u>(275)</u>	<u>5,000</u>	<u>19,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,480)</u>	<u>(7,480)</u>	<u>13,567</u>	<u>275</u>	<u>13,842</u>	<u>21,322</u>
Other Financing Uses						
Transfers out						
General fund	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(12,480)</u>	<u>(12,480)</u>	<u>8,567</u>	<u>275</u>	<u>8,842</u>	<u>21,322</u>
Fund Balances Beginning of Year	<u>103,739</u>	<u>103,739</u>	<u>132,738</u>	<u>(700)</u>	<u>132,038</u>	<u>28,299</u>
Fund Balances End of Year	<u>\$ 91,259</u>	<u>\$ 91,259</u>	<u>\$ 141,305</u>	<u>\$ (425)</u>	<u>\$ 140,880</u>	<u>\$ 49,621</u>

City of Ketchikan, Alaska
Federal and State Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ 989,264	\$ 1,069,264	\$ 2,496,546	\$ -	\$ 2,496,546	\$ 1,427,282
Expenditures						
Current:						
Public safety	-	80,000	79,282	-	79,282	718
Health and welfare	989,264	989,264	2,417,264	(1,441,814)	975,450	13,814
Total Expenditures	989,264	1,069,264	2,496,546	(1,441,814)	1,054,732	14,532
Excess of Revenues Over Expenditures	-	-	-	1,441,814	1,441,814	1,441,814
Fund Balances Beginning of Year	-	-	-	(1,444,297)	(1,444,297)	(1,444,297)
Fund Balances End of Year	\$ -	\$ -	\$ -	\$ (2,483)	\$ (2,483)	\$ (2,483)

City of Ketchikan, Alaska
US Marshall Property Seizure Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Fines & Forfeitures	\$ -	\$ -	\$ 151,880	\$ -	\$ 151,880	\$ 151,880
Investment earnings	-	-	15		15	15
Total Revenues	-	-	151,895	-	151,895	151,895
Net Change in Fund Balances	-	-	151,895	-	151,895	151,895
Fund Balances Beginning of Year	270	270	10,857	-	10,857	10,587
Fund Balances End of Year	\$ 270	\$ 270	\$ 162,752	\$ -	\$ 162,752	\$ 162,482



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NONMAJOR DEBT SERVICE FUNDS

General Obligation Bond Debt Service Fund – This fund is used to accumulate funds for the payment of principal and interest on general obligation bonds not accounted for in enterprise funds.

City of Ketchikan, Alaska
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Fund
For the Year Ended December 31, 2014

	General Obligation Bond Debt Service
Revenues	
Miscellaneous income	\$ 135,704
Expenditures	
Principal retirement	1,180,000
Interest and fiscal charges	1,444,671
Total Expenditures	2,624,671
Deficiency of Revenues Under Expenditures	(2,488,967)
Other Financing Sources	
Transfers in	
General fund	371,572
Sales tax hospital & other public works fund	1,628,665
Community facilities development fund	488,730
Total Other Financing Sources	2,488,967
Net Change in Fund Balances	-
Fund Balances Beginning of Year	-
Fund Balances End of Year	\$ -

City of Ketchikan, Alaska
General Obligation Bond Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Miscellaneous income	\$ 146,233	\$ 146,233	\$ 135,704	\$ (10,529)
Expenditures				
Debt Service:				
Principal retirement	1,180,000	1,180,000	1,180,000	-
Interest and fiscal charges	1,408,007	1,444,672	1,444,671	1
Total Expenditures	<u>2,588,007</u>	<u>2,624,672</u>	<u>2,624,671</u>	<u>1</u>
Other Financing Sources				
Transfers in				
General fund	361,044	361,044	371,572	10,528
Sales tax hospital & other public works fund	1,592,000	1,628,665	1,628,665	
Community facilities development fund	488,730	488,730	488,730	-
Total Other Financing Sources	<u>2,441,774</u>	<u>2,478,439</u>	<u>2,488,967</u>	<u>10,528</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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NONMAJOR CAPITAL IMPROVEMENT FUND

Community Facilities Development Fund – This fund is used to account for the acquisition and construction of major public facilities.

MAJOR CAPITAL IMPROVEMENT FUNDS ¹

Hospital Construction Fund – This fund is used to account for the construction of improvements to the Ketchikan Medical Center.

Major Capital Improvements Fund – This fund is used to account for the improvement, acquisition and construction of major capital assets as determined by the City Council.

Harbor Improvements Fund – This fund is used to account for the improvement, acquisition and construction of harbor facilities.

¹*This major fund schedule is provided for budgetary comparison purposes only.*

City of Ketchikan, Alaska
Combining Balance Sheet
Nonmajor Capital Project Fund
December 31, 2014

	Community Facilities Development
Assets	
Cash and investments	\$ 2,277,291
Restricted cash:	
Bond construction funds	515,815
Accrued interest	28,000
Receivables:	
Advances from other funds	<u>700,000</u>
Total Assets	<u><u>\$ 3,521,106</u></u>
Fund Balances	
Restricted	
Bond construction funds	515,815
Assigned:	
Public works projects	<u>3,005,291</u>
Total Fund Balances	<u>3,521,106</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,521,106</u></u>

City of Ketchikan, Alaska
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Fund
For the Year Ended December 31, 2014

	Community Facilities Development
Revenues	
Investment earnings	\$ 28,117
Contributions	131,487
Total Revenues	159,604
Expenditures	
Current:	
Public works	12,010
Total Expenditures	12,010
Excess of Revenues Over Expenditures	147,594
Other Financing Uses	
Transfers out	
Debt service fund	(488,730)
Total Other Financing Uses	(488,730)
Net Change in Fund Balances	(341,136)
Fund Balances At Beginning of Year	3,862,242
Fund Balances At End of Year	\$ 3,521,106

City of Ketchikan, Alaska
Community Facilities Development Fund
Project Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Investment earnings	\$ 30,000	\$ 30,000	\$ 28,117	\$ -	\$ 28,117	\$ (1,883)
Contributions	-	-	131,487	-	131,487	131,487
Total Revenues	30,000	30,000	159,604	-	159,604	129,604
Expenditures						
Public works	-	12,509	12,010	(11,425)	585	11,924
Total Expenditures	-	12,509	12,010	(11,425)	585	11,924
Excess of Revenues Over Expenditures	30,000	17,491	147,594	11,425	159,019	141,528
Other Financing Sources						
Transfers out						
Debt service fund	(488,730)	(488,730)	(488,730)	-	(488,730)	-
Total Other Financing Sources	(488,730)	(488,730)	(488,730)	-	(488,730)	-
Net Change in Fund Balances	(458,730)	(471,239)	(341,136)	11,425	(329,711)	141,528
Fund Balances Beginning of Year	2,798,420	2,798,420	3,862,242	(711,425)	3,150,817	352,397
Fund Balances End of Year	\$ 2,339,690	\$ 2,327,181	\$ 3,521,106	\$ (700,000)	\$ 2,821,106	\$ 493,925

City of Ketchikan, Alaska
Hospital Construction Fund
Project Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ 15,000,000	\$ 15,000,000	\$ 8,927,885	\$ -	\$ 8,927,885	\$ (6,072,115)
Investment earnings	-	-	34,687	-	34,687	34,687
Total Revenues	<u>15,000,000</u>	<u>15,000,000</u>	<u>8,962,572</u>	<u>-</u>	<u>8,962,572</u>	<u>(6,037,428)</u>
Expenditures						
Health and welfare	<u>58,000,000</u>	<u>58,000,000</u>	<u>9,228,671</u>	<u>38,729,042</u>	<u>47,957,713</u>	<u>10,042,287</u>
Deficiency of Revenues Under Expenditures	<u>(43,000,000)</u>	<u>(43,000,000)</u>	<u>(266,099)</u>	<u>(38,729,042)</u>	<u>(38,995,141)</u>	<u>4,004,859</u>
Other Financing Sources and Uses						
Bond issuance costs			(156,132)	-	(156,132)	(156,132)
Proceeds from sale of bonds	43,000,000	43,000,000	41,320,000	-	41,320,000	(1,680,000)
Premium from sale of bonds	<u>-</u>	<u>-</u>	<u>1,840,478</u>	<u>-</u>	<u>1,840,478</u>	<u>1,840,478</u>
Total Other Financing Sources and Uses	<u>43,000,000</u>	<u>43,000,000</u>	<u>43,004,346</u>	<u>-</u>	<u>43,004,346</u>	<u>4,346</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>42,738,247</u>	<u>(38,729,042)</u>	<u>4,009,205</u>	<u>4,009,205</u>
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,738,247</u>	<u>\$ (38,729,042)</u>	<u>\$ 4,009,205</u>	<u>\$ 4,009,205</u>

City of Ketchikan, Alaska
Major Capital Improvements Fund
Project Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ 22,000,000	\$ 22,000,000	\$ 640		\$ 640	\$ (21,999,360)
Investment earnings	-		16	-	16	16
Contributions	-	22,035	1,676,177	-	1,676,177	1,654,142
Total Revenues	<u>22,000,000</u>	<u>22,022,035</u>	<u>1,676,833</u>	<u>-</u>	<u>1,676,833</u>	<u>(20,345,202)</u>
Expenditures						
Culture and tourism	-	532,501	334,618	196,726	531,344	1,157
Public works	22,000,000	22,000,000	6,052,634	212,392	6,265,026	15,734,974
Total Expenditures	<u>22,000,000</u>	<u>22,532,501</u>	<u>6,387,252</u>	<u>409,118</u>	<u>6,796,370</u>	<u>15,736,131</u>
Deficiency of Revenues Under Expenditures	-	(510,466)	(4,710,419)	(409,118)	(5,119,537)	(4,609,071)
Other Financing Sources						
Transfers in		510,466	4,907,162	-	4,907,162	4,396,696
Total Other Financing Sources	<u>-</u>	<u>510,466</u>	<u>4,907,162</u>	<u>-</u>	<u>4,907,162</u>	<u>4,396,696</u>
Net Change in Fund Balances	-	-	196,743	(409,118)	(212,375)	(212,375)
Fund Balances Beginning of Year	<u>74,116</u>	<u>74,116</u>	<u>74,095</u>	<u>(61,768)</u>	<u>12,327</u>	<u>(61,789)</u>
Fund Balances End of Year	<u>\$ 74,116</u>	<u>\$ 74,116</u>	<u>\$ 270,838</u>	<u>\$ (470,886)</u>	<u>\$ (200,048)</u>	<u>\$ (274,164)</u>

City of Ketchikan, Alaska
Harbor Improvements Fund
Project Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ 2,950,000	\$ 2,950,000	\$ 4,380,657	\$ -	\$ 4,380,657	\$ 1,430,657
Investment earnings	-	-	2,456	-	2,456	2,456
Contributions	-	-	300,000	-	300,000	300,000
Total Revenues	<u>2,950,000</u>	<u>2,950,000</u>	<u>4,683,113</u>	<u>-</u>	<u>4,683,113</u>	<u>1,733,113</u>
Expenditures						
Port and harbors	<u>5,190,615</u>	<u>5,787,290</u>	<u>5,791,231</u>	<u>(135,220)</u>	<u>5,656,011</u>	<u>131,279</u>
Total Expenditures	<u>5,190,615</u>	<u>5,787,290</u>	<u>5,791,231</u>	<u>(135,220)</u>	<u>5,656,011</u>	<u>131,279</u>
Deficiency of Revenues Under Expenditures	<u>(2,240,615)</u>	<u>(2,837,290)</u>	<u>(1,108,118)</u>	<u>135,220</u>	<u>(972,898)</u>	<u>1,864,392</u>
Other Financing Sources and Uses						
Transfers out						
Advances from other funds	(312,500)	(88,453)	-	(88,453)	(88,453)	-
Bond issuance costs	-	-	(10,278)	-	(10,278)	(10,278)
Proceeds from sale of bonds	2,500,000	2,649,928	2,720,000	-	2,720,000	70,072
Premium from sale of bonds	-	-	293,653	-	293,653	293,653
Total Other Financing Sources Uses	<u>2,187,500</u>	<u>2,561,475</u>	<u>3,003,375</u>	<u>(88,453)</u>	<u>2,914,922</u>	<u>353,447</u>
Net Change in Fund Balances	<u>(53,115)</u>	<u>(275,815)</u>	<u>1,895,257</u>	<u>46,767</u>	<u>1,942,024</u>	<u>2,217,839</u>
Fund Balances Beginning of Year	<u>240,409</u>	<u>240,409</u>	<u>1,034,647</u>	<u>(3,335,220)</u>	<u>(2,300,573)</u>	<u>(2,540,982)</u>
Fund Balances End of Year	<u>\$ 187,294</u>	<u>\$ (35,406)</u>	<u>\$ 2,929,904</u>	<u>\$ (3,288,453)</u>	<u>\$ (358,549)</u>	<u>\$ (323,143)</u>



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GENERAL FUND

Due to the implementation of GASB Statement No. 54 the City has re-classified four of its special revenue funds to bring the City into compliance with the new standard. The Hospital Sales Tax, Public Works Sales Tax, Economic Development and Parking and Shoreline Funds are all considered to be general fund activity. The City has added this section to present the combining statements of the general fund and the individual budgetary fund statements. The general fund's individual budgetary statement is still presented as required supplementary information.

General Fund – This fund is used to account for all resources and activities of the City except those required to be accounted for in another fund.

Hospital Sales Tax and Other Public Works Fund – This fund is used to account for the proceeds of the sales tax levy that is restricted to the payment of costs of construction and maintenance of capital improvements under Section 3.04.130(b) of the Ketchikan Municipal Code.

Public Works Sales Tax and Other Public Works Fund – This fund is used to account for the proceeds of the sales tax levy that is restricted to the payment of costs of construction and maintenance of capital improvements under Section 3.04.130(a) of the Ketchikan Municipal Code.

Economic Development and Parking Fund – This fund is used to account for the proceeds from the sale of the Spruce Mill property. These proceeds must be used for economic development and the development of parking facilities as determined by the City Council.

Shoreline Fund – This fund is used to account for the assets and liabilities of the former Shoreline Service Area that were transferred to the City at the time the service area was annexed.

Community Grant Fund – This fund is used to account for grants given to community based non-profit humanitarian agencies as determined by the City Council.

City of Ketchikan, Alaska
Combining Balance Sheet
General Fund
December 31, 2014

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant Fund	Totals
Assets							
Cash and temporary investments	\$ 1,598,162	\$ 5,916,547	\$ 4,958,475	\$ 232,796	\$ 130,100	\$ 5,992	\$12,842,072
Restricted cash - Investigation Funds	137,151	-	-	-	-	-	137,151
Receivables:							
Accounts	473,494	-	-	-	-	-	473,494
Taxes	968,856	505,671	758,506	-	-	-	2,233,033
Intergovernmental	22,318	-	-	-	-	-	22,318
Interfund	4,302,147	-	-	-	-	-	4,302,147
Advances from other funds	-	-	-	1,161,547	-	-	1,161,547
Land for resale	418,618	-	-	-	-	-	418,618
Total Assets	\$ 7,920,746	\$ 6,422,218	\$ 5,716,981	\$ 1,394,343	\$ 130,100	\$ 5,992	\$21,590,380
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 490,306	\$ -	\$ 359,514	\$ 42,750	\$ -	\$ 5,712	\$ 898,282
Payroll payable	1,671,483	-	-	-	-	-	1,671,483
Unearned revenue	51,194	-	-	-	-	-	51,194
Total Liabilities	2,212,983	-	359,514	42,750	-	5,712	2,620,959
Deferred Inflows of Resources	867,562	505,671	758,506	-	-	-	2,131,739
Fund Balances							
Nonspendable	418,618	-	-	-	-	-	418,618
Restricted	137,151	-	-	-	-	-	137,151
Assigned:							
Subsequent years budget	246,451	150,550	470,901	-	6,374	-	874,276
Parking development and abatement of dangerous buildings	-	-	-	1,351,593	-	-	1,351,593
Hospital development and expansion	-	5,765,997	-	-	-	-	5,765,997
General government	137,272	-	197,814	-	-	280	335,366
Public safety	35,447	-	289,012	-	123,726	-	448,185
Culture and tourism	57,337	-	679,250	-	-	-	736,587
Public works	84,923	-	-	-	-	-	84,923
Streets, sidewalks and other public projects	-	-	2,961,984	-	-	-	2,961,984
Unassigned	3,723,002	-	-	-	-	-	3,723,002
Total Fund Balances	4,840,201	5,916,547	4,598,961	1,351,593	130,100	280	16,837,682
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,920,746	\$ 6,422,218	\$ 5,716,981	\$ 1,394,343	\$ 130,100	\$ 5,992	\$21,590,380

City of Ketchikan, Alaska
General Fund
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2014

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Revenues							
Taxes							
Real & personal property taxes	\$ 5,801,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,801,986
Automobile & boat taxes	48,747	-	-	-	-	-	48,747
Penalty & interest	56,487	10,881	16,321	-	-	-	83,689
Senior citizen local contribution	(427,956)	-	-	-	-	-	(427,956)
Sales tax	3,746,390	2,820,130	4,230,195	-	-	-	10,796,715
Payments in lieu of taxes	11,896	-	-	-	-	-	11,896
	<u>9,237,550</u>	<u>2,831,011</u>	<u>4,246,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,315,077</u>
Licenses and permits							
Building permits	95,788	-	-	-	-	-	95,788
Other	2,210	-	-	-	-	-	2,210
	<u>97,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,998</u>
Intergovernmental							
Federal fire grants	102,989	-	-	-	-	-	102,989
Liquor licenses tax	48,000	-	-	-	-	-	48,000
Other state revenues	2,480,548	-	-	-	-	-	2,480,548
Federal revenues	3,000	-	163,963	-	-	-	166,963
	<u>2,634,537</u>	<u>-</u>	<u>163,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,798,500</u>
Charges for services							
Ambulance	606,369	-	-	-	-	-	606,369
Rentals	16,567	-	-	-	-	-	16,567
Parking fees	76,520	-	-	-	-	-	76,520
Cemetery	842	-	-	-	-	-	842
Library services	641,607	-	-	-	-	-	641,607
Museum services	215,571	-	-	-	-	-	215,571
E-911 emergency dispatch services	418,178	-	-	-	-	-	418,178
Civic center services	90,717	-	-	-	-	-	90,717
Other charges	50,035	-	-	-	-	-	50,035
	<u>2,116,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,116,406</u>
Fines and forfeitures							
Parking fines	68,443	-	-	-	-	-	68,443
Other fines	29,034	-	-	-	-	-	29,034
Court deposits	14,788	-	-	-	-	-	14,788
	<u>112,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,265</u>
Investment earnings	285	(44)	(140)	(58)	(3)	-	40
Other revenue							
Miscellaneous	69,849	2,834	35,000	-	-	179,000	286,683
Interdepartmental charges	3,150,268	-	-	-	-	-	3,150,268
Total Revenues	<u>17,419,158</u>	<u>2,833,801</u>	<u>4,445,339</u>	<u>(58)</u>	<u>(3)</u>	<u>179,000</u>	<u>24,877,237</u>

City of Ketchikan, Alaska
General Fund
Combining Statment of Revenues, Expenditures and
Changes in Fund Balances (Cont'd)
For the Year Ended December 31, 2014

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Expenditures							
Current:							
General government							
Mayor and council	186,778	-	-	-	-	358,000	544,778
City Clerk	280,913	-	-	-	-	-	280,913
Law	341,312	-	-	-	-	-	341,312
City Manager	754,085	-	-	-	-	-	754,085
Finance	2,014,090	-	37,499	-	-	-	2,051,589
Information Technology	1,187,298	-	-	-	-	-	1,187,298
	<u>4,764,476</u>	<u>-</u>	<u>37,499</u>	<u>-</u>	<u>-</u>	<u>358,000</u>	<u>5,159,975</u>
Public safety							
Fire	3,616,698	-	677,357	-	-	-	4,294,055
Police	5,261,014	-	343,621	-	-	-	5,604,635
	<u>8,877,712</u>	<u>-</u>	<u>1,020,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,898,690</u>
Culture							
Library	1,293,286	-	-	-	-	-	1,293,286
Museum	792,777	-	202,252	-	-	-	995,029
Civic Center	441,728	-	159,295	-	-	-	601,023
Tourism and development	-	-	-	177,227	-	-	177,227
	<u>2,527,791</u>	<u>-</u>	<u>361,547</u>	<u>177,227</u>	<u>-</u>	<u>-</u>	<u>3,066,565</u>
Health and welfare							
Public Health	11,211	87,990	-	-	-	-	99,201
Public works							
Engineering	1,555,163	-	64,168	-	-	-	1,619,331
Streets	1,630,234	-	973,254	3,198	-	-	2,606,686
Cemetery	74,513	-	-	-	-	-	74,513
Garage	479,516	-	-	-	-	-	479,516
Building Maintenance	367,971	-	1,341,562	46,642	-	-	1,756,175
	<u>4,107,397</u>	<u>-</u>	<u>2,378,984</u>	<u>49,840</u>	<u>-</u>	<u>-</u>	<u>6,536,221</u>
Total Expenditures	<u>20,288,587</u>	<u>87,990</u>	<u>3,799,008</u>	<u>227,067</u>	<u>-</u>	<u>358,000</u>	<u>24,760,652</u>
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	<u>(2,869,429)</u>	<u>2,745,811</u>	<u>646,331</u>	<u>(227,125)</u>	<u>(3)</u>	<u>(179,000)</u>	<u>116,585</u>

City of Ketchikan, Alaska
General Fund
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Cont'd)
For the Year Ended December 31, 2014

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Other Financing Sources (Uses)							
Transfers in							
Sales tax hospital and other public works fund	420,000	(420,000)	-	-	-	-	-
Sales tax public works fund	2,000,000	-	(2,000,000)	-	-	-	-
Transient occupancy tax fund	312,049	-	-	-	-	-	312,049
Shoreline area fund	6,374	-	-	-	(6,374)	-	-
Bayview cemetery fund	5,000	-	-	-	-	-	5,000
Ketchikan public utilities fund	786,000	-	-	-	-	-	786,000
Port fund	430,642	-	-	-	-	-	430,642
Wastewater services fund	80,000	-	-	-	-	-	80,000
Transfers out							
General obligation bond debt service fund	(371,572)	(1,628,665)	-	-	-	-	(2,000,237)
Community grant fund	(51,147)	(51,147)	(76,706)	-	-	179,000	-
Sale of capital assets	17,696	-	-	-	-	-	17,696
Total Other Financing Sources (Uses)	3,635,042	(2,099,812)	(2,076,706)	-	(6,374)	179,000	(368,850)
Net Change in Fund Balances	765,613	645,999	(1,430,375)	(227,125)	(6,377)	-	(252,265)
Fund Balances Beginning of Year	4,074,588	5,270,548	6,029,336	1,578,718	136,477	280	17,089,947
Fund Balances End of Year	\$ 4,840,201	\$ 5,916,547	\$ 4,598,961	\$ 1,351,593	\$ 130,100	\$ 280	\$ 16,837,682

City of Ketchikan, Alaska
Sales Tax Hospital and Other Public Works Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes	\$ 2,945,000	\$ 2,945,000	\$ 2,820,130	\$ -	\$ 2,820,130	\$ (124,870)
Penalties and interest	13,500	13,500	10,881	-	10,881	(2,619)
Investment earnings	1,000	1,000	(44)	-	(44)	(1,044)
Miscellaneous	-		2,834	-	2,834	2,834
Total Revenues	<u>2,959,500</u>	<u>2,959,500</u>	<u>2,833,801</u>	<u>-</u>	<u>2,833,801</u>	<u>(125,699)</u>
Expenditures						
Current:						
Health and welfare	<u>48,700</u>	<u>835,675</u>	<u>87,990</u>	<u>682,873</u>	<u>770,863</u>	<u>64,812</u>
Total Expenditures	<u>48,700</u>	<u>835,675</u>	<u>87,990</u>	<u>682,873</u>	<u>770,863</u>	<u>64,812</u>
Excess of Revenues Over Expenditures	<u>2,910,800</u>	<u>2,123,825</u>	<u>2,745,811</u>	<u>(682,873)</u>	<u>2,062,938</u>	<u>(60,887)</u>
Other Financing Uses						
Transfers out						
General fund	(420,000)	(420,000)	(420,000)	-	(420,000)	-
Community grant fund	(51,147)	(51,147)	(51,147)	-	(51,147)	-
General obligation debt service fund	<u>(1,592,000)</u>	<u>(1,628,665)</u>	<u>(1,628,665)</u>	<u>-</u>	<u>(1,628,665)</u>	<u>-</u>
Total Other Financing Uses	<u>(2,063,147)</u>	<u>(2,099,812)</u>	<u>(2,099,812)</u>	<u>-</u>	<u>(2,099,812)</u>	<u>-</u>
Net Change in Fund Balances	847,653	24,013	645,999	(682,873)	(36,874)	(60,887)
Fund Balances Beginning of Year	<u>3,974,480</u>	<u>3,974,480</u>	<u>5,270,548</u>	<u>(113,035)</u>	<u>5,157,513</u>	<u>1,183,033</u>
Fund Balances End of Year	<u>\$ 4,822,133</u>	<u>\$ 3,998,493</u>	<u>\$ 5,916,547</u>	<u>\$ (795,908)</u>	<u>\$ 5,120,639</u>	<u>\$ 1,122,146</u>

City of Ketchikan, Alaska
Sales Tax Public Works Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes	\$ 4,417,500	\$ 4,417,500	\$ 4,230,195	\$ -	\$ 4,230,195	\$ (187,305)
Penalties and interest	-	-	16,321	-	16,321	16,321
Intergovernmental	-	-	163,963	-	163,963	163,963
Investment earnings	1,700	1,700	(140)	-	(140)	(1,840)
Contributions	-	-	35,000	-	35,000	35,000
Total Revenues	<u>4,419,200</u>	<u>4,419,200</u>	<u>4,445,339</u>	<u>-</u>	<u>4,445,339</u>	<u>26,139</u>
Expenditures						
Current:						
General government						
Finance	20,000	20,000	37,499	(30,047)	7,452	12,548
Public safety						
Fire	550,000	555,000	677,357	(132,408)	544,949	10,051
Police	397,374	397,374	343,621	(8,038)	335,583	61,791
Culture						
Museum	52,000	309,660	202,252	92,151	294,403	15,257
Civic center	219,750	162,750	159,295	-	159,295	3,455
Public works						
Engineering	200,000	200,000	64,168	-	64,168	135,832
Streets	1,601,673	1,666,620	973,254	(305,261)	667,993	998,627
Garage	58,000	58,000	-	(1,929)	(1,929)	59,929
Building maintenance	345,173	353,530	1,341,562	(987,501)	354,061	(531)
Total Expenditures	<u>3,443,970</u>	<u>3,722,934</u>	<u>3,799,008</u>	<u>(1,373,033)</u>	<u>2,425,975</u>	<u>1,296,959</u>
Excess of Revenues Over Expenditures	<u>975,230</u>	<u>696,266</u>	<u>646,331</u>	<u>1,373,033</u>	<u>2,019,364</u>	<u>1,323,098</u>
Other Financing Uses						
Transfer out						
General fund	(2,000,000)	(2,000,000)	(2,000,000)	-	(2,000,000)	-
Community grant fund	(76,706)	(76,706)	(76,706)	-	(76,706)	-
Total Other Financing Uses	<u>(2,076,706)</u>	<u>(2,076,706)</u>	<u>(2,076,706)</u>	<u>-</u>	<u>(2,076,706)</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,101,476)</u>	<u>(1,380,440)</u>	<u>(1,430,375)</u>	<u>1,373,033</u>	<u>(57,342)</u>	<u>1,323,098</u>
Fund Balances Beginning of Year	<u>3,620,163</u>	<u>3,620,163</u>	<u>6,029,336</u>	<u>(1,931,648)</u>	<u>4,097,688</u>	<u>477,525</u>
Fund Balances End of Year	<u>\$ 2,518,687</u>	<u>\$ 2,239,723</u>	<u>\$ 4,598,961</u>	<u>\$ (558,615)</u>	<u>\$ 4,040,346</u>	<u>\$ 1,800,623</u>

City of Ketchikan, Alaska
Economic Development & Parking Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Investment earnings	\$ 100	\$ 100	\$ (58)	\$ -	\$ (58)	\$ (158)
Total Revenues	100	100	(58)	-	(58)	(158)
Expenditures						
Current:						
Economic tourism and development	171,000	171,000	177,227	(6,227)	171,000	-
Public works						
Engineering	-	-	-	(3,472)	(3,472)	3,472
Streets	-		3,198	(11,570)	(8,372)	8,372
Building maintenance	-	46,642	46,642		46,642	-
	171,000	217,642	227,067	(21,269)	205,798	11,844
Deficiency of Revenues Under Expenditures	(170,900)	(217,542)	(227,125)	21,269	(205,856)	11,686
Other Financing Uses						
Advances from harbor improvements fund	312,500	312,500	-	88,453	88,453	(224,047)
Total Other Financing Uses	312,500	312,500	-	88,453	88,453	(224,047)
Net Change in Fund Balances	141,600	94,958	(227,125)	109,722	(117,403)	(212,361)
Fund Balances Beginning of Year	348,421	348,421	1,578,718	(1,271,269)	307,449	(40,972)
Fund Balances End of Year	\$ 490,021	\$ 443,379	\$ 1,351,593	\$ (1,161,547)	\$ 190,046	\$ (253,333)

City of Ketchikan, Alaska
Shoreline Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>(GAAP Basis) Actual</u>	<u>Reclassifications and Encumbrances</u>	<u>(Budgetary Basis) Actual</u>	<u>Variance Positive (Negative)</u>
Revenues						
Investment earnings	\$ 40	\$ 40	\$ (3)	\$ -	\$ (3)	\$ (43)
Other Financing Uses						
General fund	(6,374)	(6,374)	(6,374)	-	(6,374)	-
Net Change in Fund Balances	(6,334)	(6,334)	(6,377)	-	(6,377)	(43)
Fund Balances Beginning of Year	136,558	136,558	136,477	-	136,477	(81)
Fund Balances End of Year	<u>\$ 130,224</u>	<u>\$ 130,224</u>	<u>\$ 130,100</u>	<u>\$ -</u>	<u>\$ 130,100</u>	<u>\$ (124)</u>

City of Ketchikan, Alaska
Community Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Contributions	\$ 179,000	\$ 179,000	\$ 179,000	\$ -	\$ 179,000	\$ -
Total Revenues	179,000	179,000	179,000	-	179,000	-
Expenditures						
Current:						
Mayor and council	358,000	358,000	358,000	-	358,000	-
Deficiency of Revenues Under Expenditures	(179,000)	(179,000)	(179,000)	-	(179,000)	-
Other Financing Sources						
Transfers in						
General fund	51,147	51,147	51,147	-	51,147	-
Hospital sales tax fund	51,147	51,147	51,147	-	51,147	-
Public works sales tax fund	76,706	76,706	76,706	-	76,706	-
Total Other Financing Sources	179,000	179,000	179,000	-	179,000	-
Net Change in Fund Balances	-	-	-	-	-	-
Fund Balances Beginning of Year	240	240	280	-	280	40
Fund Balances End of Year	\$ 240	\$ 240	\$ 280	\$ -	\$ 280	\$ 40

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

Ketchikan Public Utilities Fund – This fund is used to account for the operations, maintenance, and capital improvements of Ketchikan Public Utilities, a combined utility that provides electric, telecommunications and water services.

Port Fund – This fund is used to account for the operations, maintenance, and capital improvements of the city-owned port facilities.

Wastewater Fund – This fund is used to account for the operations, maintenance, and capital improvements of the municipal wastewater collection and treatment utility system.

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Statements of Net Position
December 31, 2014 and 2013

		<u>2014</u>	<u>2013</u>
Assets			
Current assets			
Cash and temporary investments		\$ 16,778,078	\$ 20,646,326
Restricted cash, cash equivalents and investments:			
Cash and temporary invest. - bond construction funds		208,971	130,827
Revenue bond redemption fund cash		1,099,448	1,011,843
Accounts receivable	\$ 2,193,406		
Less uncollectible accounts	<u>(70,000)</u>	2,123,406	2,528,127
Due from other governments		3,245,323	3,442,708
Prepaid expenses		17,165	19,812
Inventory of materials		3,012,369	3,117,883
Unbilled revenue		888,252	1,332,070
Total Current Assets		<u>27,373,012</u>	<u>32,229,596</u>
Noncurrent assets			
Restricted investments:			
Revenue bond reserve fund investments		1,678,041	1,758,678
Total noncurrent restricted assets		<u>1,678,041</u>	<u>1,758,678</u>
Utility plant in service:			
Land		2,722,866	2,674,616
Other non-depreciable assets		137,141	812,269
Construction work in progress		3,621,229	30,908,014
Plant in service		234,859,257	194,773,333
Less accumulated depreciation		<u>(125,367,533)</u>	<u>(120,163,617)</u>
Total capital assets (net of accumulated depreciation)		<u>115,972,960</u>	<u>109,004,615</u>
Total noncurrent assets		<u>117,651,001</u>	<u>110,763,293</u>
Total Assets		<u>145,024,013</u>	<u>142,992,889</u>
 Deferred Outflow of Resources		 <u>61,284</u>	 <u>129,454</u>
 Total Assets and Deferred Outflow of Resources		 <u>\$ 145,085,297</u>	 <u>\$ 143,122,343</u>

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Statements of Net Position
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 3,211,029	\$ 5,008,334
Accrued interest payable	295,856	317,860
Compensated absences payable	77,833	79,281
Customer deposits	363,508	366,660
Unearned revenue	54,310	76,791
Unamortized premiums	115,484	122,771
Revenue bonds payable	2,044,901	2,115,305
Advances to other funds	266,209	-
Total current liabilities	<u>6,429,130</u>	<u>8,087,002</u>
Noncurrent liabilities		
Accrued interest payable	4,498	4,845
Unamortized bond premium	1,612,728	1,733,256
Compensated absences payable	700,494	713,531
Revenue bonds payable	23,976,441	25,785,297
Advances to other funds	3,733,791	4,000,000.00
Total noncurrent liabilities	<u>30,027,952</u>	<u>32,236,929</u>
Total liabilities	<u>36,457,082</u>	<u>40,323,931</u>
Net position		
Net investment in capital assets	88,284,690	79,377,440
Restricted bonds construction funds	208,971	130,827
Restricted for bond retirement	2,699,009	2,507,519
Unrestricted	17,435,545	20,782,626
Total net position	<u>108,628,215</u>	<u>102,798,412</u>
Total liabilities and net position	<u><u>\$ 145,085,297</u></u>	<u><u>\$ 143,122,343</u></u>

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position - by Service
For the Years Ended December 31, 2014 and 2013

	Total		Electric	
	2014	2013	2014	2013
Operating Revenues				
Services	\$35,659,553	\$37,243,647	\$16,323,845	\$18,919,766
Other	327,364	473,668	293,569	426,644
Total Operating Revenues	35,986,917	37,717,315	16,617,414	19,346,410
Operating Expenses				
Operation and maintenance	23,307,990	25,687,131	12,203,835	14,904,688
Administration and general	5,754,985	5,426,532	1,693,482	1,644,964
Depreciation	6,908,978	6,264,041	2,769,401	2,502,345
Total Operating Expenses	35,971,953	37,377,704	16,666,718	19,051,997
Operating Income (Loss)	14,964	339,611	(49,304)	294,413
Non-Operating Revenues (Expenses)				
Operating grants	459,899	276,783	133,143	120,275
Interest earnings	11,666	(2,358)	11,215	(1,879)
Revenue bond interest expense	(1,007,523)	(685,165)	(696,067)	(528,196)
Other interest expense	(17,314)	(17,336)	(12,693)	(13,196)
Debt issuance costs	-	(140,595)	-	(132,743)
Total Non-Operating Revenue (Expenses)	(553,272)	(568,671)	(564,402)	(555,739)
Net Income (Loss) Before Contributions, Grants and Transfers	(538,308)	(229,060)	(613,706)	(261,326)
Capital contributions	144,259	200,818	66,795	32,420
Capital grants	7,009,852	8,087,997	6,491,142	5,967,743
Transfers out - payment in lieu of taxes	(786,000)	(786,000)	(381,993)	(381,993)
Total Contributions, Grants and Transfers	6,368,111	7,502,815	6,175,944	5,618,170
Change in Net Position	5,829,803	7,273,755	\$5,562,238	\$5,356,844
Net Position Beginning of Year	102,798,412	95,524,657		
Net Position End of Year	\$108,628,215	\$102,798,412		

Telecommunications		Water	
2014	2013	2014	2013
\$16,160,808	\$15,241,977	\$3,174,900	\$3,081,904
-	-	33,795	47,024
16,160,808	15,241,977	3,208,695	3,128,928
9,043,964	8,556,970	2,060,191	2,225,473
3,630,057	3,369,942	431,446	411,626
2,873,290	2,529,229	1,266,287	1,232,467
15,547,311	14,456,141	3,757,924	3,869,566
613,497	785,836	(549,229)	(740,638)
290,314	138,781	36,442	17,727
296	(919)	155	440
(160,702)	(1,241)	(150,754)	(155,728)
(4,621)	(4,140)	-	-
-	(235)	-	(7,617)
125,287	132,246	(114,157)	(145,178)
738,784	918,082	(663,386)	(885,816)
77,464	168,398	-	-
7,564	10,110	511,146	2,110,144
(206,358)	(206,358)	(197,649)	(197,649)
(121,330)	(27,850)	313,497	1,912,495
\$617,454	\$890,232	(\$349,889)	\$1,026,679

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 36,902,771	\$ 37,350,675
Cash payments to employees for services	(13,186,745)	(12,815,846)
Cash payments to suppliers for goods and services	<u>(15,915,601)</u>	<u>(18,881,211)</u>
Net Cash Provided by Operating Activities	<u>7,800,425</u>	<u>5,653,618</u>
Cash Flows from Noncapital Financing Activity		
Operating grant from other governments	459,899	276,783
Payment in lieu of taxes to the general fund	<u>(786,000)</u>	<u>(786,000)</u>
Net Cash Used by Noncapital Financing Activities	<u>(326,101)</u>	<u>(509,217)</u>
Cash Flows from Capital and Related Financing Activities		
Advances from other funds	-	4,000,000
Capital grant received from other governments	7,274,085	6,409,363
Capital debt proceeds	243,052	16,344,858
Principal paid on revenue bonds	(2,044,901)	(2,115,305)
Interest paid on revenue bonds	(1,106,833)	(571,707)
Payments for capital acquisitions and construction	<u>(15,630,422)</u>	<u>(25,111,862)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(11,265,019)</u>	<u>(1,044,653)</u>
Cash Flows from Investing Activities		
Investment earnings	7,559	20,126
Purchase of bond reserve fund investments	<u>80,637</u>	<u>212,016</u>
Net Cash Flows Provided by Investing Activities	<u>88,196</u>	<u>232,142</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,702,499)	4,331,890
Cash and Cash Equivalents Beginning of Year	21,788,996	17,457,106
Cash and Cash Equivalents End of Year	<u>\$ 18,086,497</u>	<u>\$ 21,788,996</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:		
Cash and temporary investments - current assets	16,778,078	20,646,326
Bond construction fund cash - restricted	208,971	130,827
Revenue bond redemption fund - restricted	<u>1,099,448</u>	<u>1,011,843</u>
	<u>\$ 18,086,497</u>	<u>\$ 21,788,996</u>

(continued)

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

(continued)

	<u>2014</u>	<u>2013</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 14,964	\$ 339,611
Adjustments:		
Depreciation	6,908,978	6,264,041
Other	129,629	12,188
(Increase) Decrease in Assets:		
Accounts receivable	404,722	(120,060)
Unbilled revenue	443,818	(272,648)
Prepaid expenses	2,647	15,745
Inventory	105,514	(518,319)
Customer deposits	(3,152)	29,380
Increase (Decrease) in Liabilities:		
Accounts payable	(169,729)	(166,438)
Compensated absences payable	(14,485)	44,050
Unearned revenue	(22,481)	26,068
Net Cash Provided by Operating Activities	<u>\$ 7,800,425</u>	<u>\$ 5,653,618</u>
Noncash investing, capital and financing activities		
Fair value of non-cash investments	\$ -	\$ (16,492)
Revenue bond arbitrage	4,107	(2,690)

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Revenues
For the Years Ended December 31, 2014 and 2013

	2014		2013	
	Amount	Total	Amount	Total
Electric Department				
Revenue from Services:				
Residential	\$6,796,723		\$6,929,393	
Boats	298,227		299,465	
Commercial	6,690,774		6,701,322	
Industrial	1,750,002		1,915,505	
Demand	514,972		510,887	
Area Lighting	49,172		48,995	
Street Lighting	127,692		126,178	
Diesel Surcharge	96,283	\$16,323,845	2,388,021	\$18,919,766
Other Revenue:				
Service Charges	110,175		110,011	
Late Payment Charges	25,819		105,808	
Rentals - Interdepartmental	154,217		155,177	
Other	3,358	293,569	55,648	426,644
Total Electric		16,617,414		19,346,410
Telecommunications Department				
Local Network Services:				
Basic Local Service	841,666		915,853	
Local Private Line	859,765		871,649	
Other Local Exchange	304,090	2,005,521	313,493	2,100,995
Network Access Services:				
Interstate End User	886,051		802,142	
Switched Access	5,215,493		5,167,205	
Special Access	1,586,174		1,180,634	
State Access	1,571,991	9,259,709	1,510,075	8,660,056
Other Revenues:				
Directory Revenue	328,528		317,825	
Other	170,818	499,346	126,393	444,218
Nonregulated Revenues	4,396,232	4,396,232	4,036,708	4,036,708
Total Telecommunications		\$ 16,160,808		\$ 15,241,977

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Revenues (Cont'd)
For the Years Ended December 31, 2014 and 2013

	2014		2013	
	Amount	Total	Amount	Total
Water Department				
Revenue from Services:				
Residential	\$1,377,255		\$1,343,648	
Apartments	294,082		269,394	
Commercial	1,102,474		1,042,848	
Industrial	228,401		236,039	
Port	172,688	\$3,174,900	189,975	\$3,081,904
Other Revenue:				
Service Charges	304		719	
Late Payment Charges	4,504		18,021	
Other	28,987	33,795	28,284	47,024
Total Water		<u>3,208,695</u>		<u>3,128,928</u>
Total Revenue		<u>\$35,986,917</u>		<u>\$37,717,315</u>

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Operation and Maintenance Expenses
For the Years Ended December 31, 2014 and 2013

	2014		2013	
	Amount	Total	Amount	Total
Electric Department				
Hydroelectric Generation				
Operation				
Supervision & Engineering	\$980,751		\$988,987	
Hydraulic Expenses	72,093		47,293	
Electric Expenses	28,462	1,081,306	34,414	1,070,694
Maintenance				
Supervision & Engineering	808		-	
Structures	38,976		37,938	
Reservoirs & Dams	104,100		166,959	
Electric Plant	133,543		92,911	
Other	241,178	518,605	121,039	418,847
Total Hydroelectric Generation		1,599,911		1,489,541
Diesel Generation				
Operation				
Fuel	424,597		2,958,791	
Generation	17,591		127,436	
Other	439,272	881,460	581,856	3,668,083
Maintenance				
Supervision and Engineering	114,079		110,293	
Structures	28,370		58,427	
Electric Plant	99,632		152,462	
Other	178,574	420,655	328,532	649,714
Total Diesel Generation		1,302,115		4,317,797
Purchased Power		5,674,201		5,784,566
Automation Control System		305,068		325,268
Total Generation		8,881,295		11,917,172
Transmission				
Operation				
Overhead and Underground Lines	\$5,970	5,970	\$3,719	3,719
Total Transmission		\$5,970		\$3,719

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Operation and Maintenance Expenses (Cont'd)
For the Years Ended December 31, 2014 and 2013

	2014		2013	
	Amount	Total	Amount	Total
Distribution				
Operation				
Supervision & Engineering	\$920,730		\$911,982	
Station Equipment	17,440		11,368	
Overhead & Underground Lines	3,346		7,322	
Street Lighting	80,391		71,670	
Meter Expenses	596,981		552,643	
Customer Installations	0		262	
Other	40,040	\$1,658,928	39,826	\$1,595,073
Maintenance				
Station Equipment	67,655		100,628	
Overhead & Underground Lines	1,402,195		1,140,234	
Line Transformers	7,547		21,603	
Other	180,245	1,657,642	126,259	1,388,724
Total Distribution		3,316,570		2,983,797
Total Electric		12,203,835		14,904,688
Telecommunications Department				
Plant Specific Operations:				
Network Support	197,142		106,383	
General Support	128,063		124,126	
Central Office Switching	435,678		318,725	
Central Office Transmission	983,042		1,192,658	
Cable and Wire Facilities Expense	828,528	2,572,453	919,441	2,661,333
Plant Nonspecific Operations				
Network Operations Expense	2,164,821	2,164,821	2,270,176	2,270,176
Customer Operations				
Customer Operations-Services	104,679	104,679	102,534	102,534
Nonregulated Operations Expenses	\$4,202,011	4,202,011	\$3,522,927	3,522,927
Total Telecommunications		\$9,043,964		\$8,556,970

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedule of Operation and Maintenance Expenses (Cont'd)
For the Years Ended December 31, 2014 and 2013

	2014		2013	
	Amount	Total	Amount	Total
Water Department				
Source of Supply				
Operation and Maintenance	\$393,529	\$393,529	\$450,456	\$450,456
Chlorination				
Labor and Supplies	170,944		186,720	
Maintenance	140,310	311,254	114,998	301,718
Distribution				
Supervision & Operation of Mains	419		402	
Maps & Records	397,436		357,554	
Customer Service	139	397,994	4,606	362,562
Maintenance				
Mains & Equipment	398,717		668,535	
Hydrants	3,177		20,692	
Valves & Structures	15,764		24,973	
Pump Stations	81,019		102,602	
PH Adjustment Facility	397,252		262,878	
Reservoirs	\$61,485	957,414	\$31,057	1,110,737
Total Water		2,060,191		2,225,473
Total Operation and Maintenance		\$23,307,990		\$25,687,131

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Administrative and General Expenses
For the Years Ended December 31, 2014 and 2013

	2014	2013
Customer Service	\$1,907,327	\$1,779,319
General Accounting	828,994	837,757
Administrative Expenses	2,153,181	1,929,600
Engineering Services	92,427	103,775
Information Technology	602,114	584,165
Insurance & Claims	170,942	191,916
Total	\$5,754,985	\$5,426,532

City of Ketchikan, Alaska
Port Fund
Comparative Statements of Net Position
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets		
Cash and temporary investments	\$ 5,504,277	\$ 2,900,167
Restricted cash, cash equivalents and investments:		
Debt service	845,762	866,369
Commercial passenger excise tax	1,619,258	-
Accounts receivable	95,333	2,846,430
Interest receivable	108,000	-
Prepaid expense	1,021,346	1,124,342
Total Current assets	<u>9,193,976</u>	<u>7,737,308</u>
Noncurrent assets		
Restricted investments:		
Repair and replacement investments	3,664,611	3,137,625
Bond reserve investments	2,592,786	2,589,291
Accrued interest on bond reserve investments	1,684	2,445
Total restricted assets	<u>6,259,081</u>	<u>5,729,361</u>
Internal Receivable	<u>2,700,000</u>	<u>2,700,000</u>
Capital assets		
Land	1,775,740	1,775,740
Other non-depreciable assets	169,361	169,361
Construction work in progress	200,947	5,449,151
Port facilities	66,593,984	67,104,873
Accumulated depreciation	(14,057,181)	(15,390,071)
Total capital assets (net of accumulated depreciation)	<u>54,682,851</u>	<u>59,109,054</u>
Total noncurrent assets	<u>63,641,932</u>	<u>67,538,415</u>
 Total Assets	 <u><u>\$ 72,835,908</u></u>	 <u><u>\$ 75,275,723</u></u>

City of Ketchikan, Alaska
Port Fund
Comparative Statements of Net Position
December 31, 2014 and 2013

	2014	2013
Liabilities		
Current liabilities		
Accounts payable	\$ 87,318	\$ 894,455
Accrued interest payable	144,021	147,440
Compensated absences payable	3,130	3,152
Unamortized premiums	28,561	28,561
Revenue bonds payable	885,000	845,000
Total current liabilities	<u>1,148,030</u>	<u>1,918,608</u>
Noncurrent liabilities		
Compensated absences payable	28,173	28,372
Unamortized bond premium	568,839	597,400
Revenue bonds payable	31,775,000	32,660,000
Total noncurrent liabilities	<u>32,372,012</u>	<u>33,285,772</u>
Total Liabilities	<u>33,520,042</u>	<u>35,204,380</u>
Net position		
Net investment in capital assets	21,425,451	24,978,093
Restricted repair and replacement funds	3,664,611	3,137,625
Restricted commercial passenger excise tax funds	1,619,258	
Restricted for bond retirement	3,296,211	3,310,665
Unrestricted	9,310,335	8,644,960
Total net position	<u>39,315,866</u>	<u>40,071,343</u>
Total Liabilities and Net Position	<u>\$ 72,835,908</u>	<u>\$ 75,275,723</u>



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City of Ketchikan, Alaska
Port Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Charges for services		
Docking	\$1,770,044	\$1,877,195
Passenger wharfage fee	6,110,005	6,556,500
Rental income	406,748	376,761
Water	230,250	253,300
Other	61,012	82,164
Total Operating Revenues	<u>8,578,059</u>	<u>9,145,920</u>
Operating Expenses		
Operation and maintenance		
Personnel services	1,076,322	983,664
Supplies and services	403,784	434,663
Financial service	166,378	171,545
Insurance	159,376	191,300
Utilities	285,512	306,381
Property Taxes	165,412	165,627
Lease payments	2,469,731	2,328,920
Depreciation	1,587,253	1,636,863
Total Operating Expenses	<u>6,313,768</u>	<u>6,218,963</u>
Operating Income	<u>2,264,291</u>	<u>2,926,957</u>
Non-Operating Revenues (Expenses)		
Operating grants - CPV funds	2,409,395	1,952,881
Operating grants	81,902	40,331
Interest earnings	117,529	8,331
Interest expense	(1,699,246)	(1,748,973)
Loss on disposal of capital assets	(2,999,297)	(1,165,204)
Total Non-Operating Revenue (Expenses)	<u>(2,089,717)</u>	<u>(912,634)</u>
Net Income Before Grants and Transfers	174,574	2,014,323
Capital grants	<u>4,407,753</u>	<u>8,676,543</u>
Net Income Before Transfers	4,582,327	10,690,866
Transfers Out		
Payment in lieu of taxes to general fund	(319,000)	(319,000)
Transfer to general fund	(111,642)	(80,199)
Transfer to major capital improvements fund	(4,907,162)	-
Total Transfers Out	<u>(5,337,804)</u>	<u>(399,199)</u>
Change in Net Position	(755,477)	10,291,667
Net Position Beginning of Year	<u>40,071,343</u>	<u>29,779,676</u>
Net Position End of Year	<u>\$39,315,866</u>	<u>\$40,071,343</u>

City of Ketchikan, Alaska
Port Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 8,506,186	\$ 9,145,920
Cash payments to employees for services	(994,641)	(978,610)
Cash payments to suppliers for goods and services	<u>(3,606,578)</u>	<u>(3,646,667)</u>
Net Cash Provided by Operating Activities	<u>3,904,967</u>	<u>4,520,643</u>
Cash Flows from Noncapital Financing Activities		
Operating grant from other governments	2,491,297	1,993,212
Transfers out	(5,018,804)	(80,199)
Payment in lieu of taxes to the general fund	<u>(319,000)</u>	<u>(319,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(2,846,507)</u>	<u>1,594,013</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from the disposition of capital assets	76	-
Advances to other funds	-	(2,700,000)
Capital grant received from other governments	7,230,723	8,910,174
Principal paid on general obligation bonds, advances and equipment contracts	-	(270,000)
Principal paid on revenue bonds	(845,000)	(810,000)
Interest paid on general obligation bonds	-	(14,850)
Interest paid on revenue bonds	(1,731,226)	(1,767,675)
Payments for capital acquisitions and construction	<u>(990,081)</u>	<u>(8,342,354)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>3,664,492</u>	<u>(4,994,705)</u>
Cash Flows from Investing Activities		
Investment earnings	4,355	9,870
Sale of investments	(3,495)	(11,810)
Purchase of investments	<u>(521,051)</u>	<u>(521,051)</u>
Net Cash Used by Investing Activities	<u>(520,191)</u>	<u>(522,991)</u>
Net Increase in Cash and Cash Equivalents	4,202,761	596,960
Cash and Cash Equivalents Beginning of Year	<u>3,766,536</u>	<u>3,169,576</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 7,969,297</u></u>	<u><u>\$ 3,766,536</u></u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:		
Cash and temporary investments - current assets	5,504,277	2,900,167
Commercial passenger excise tax funds - restricted	1,619,258	-
Revenue bond redemption fund - restricted	<u>845,762</u>	<u>866,369</u>
	<u><u>\$ 7,969,297</u></u>	<u><u>\$ 3,766,536</u></u>

(continued)

City of Ketchikan, Alaska
Port Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

(continued)

	<u>2014</u>	<u>2013</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 2,264,291	\$ 2,926,957
Adjustments:		
Depreciation	1,587,253	1,636,863
(Increase) Decrease in Assets:		
Accounts receivable	(71,873)	
Prepaid expenses	102,996	(68,602)
Increase (Decrease) in Liabilities:		
Accounts payable	22,521	20,371
Compensated absences payable	<u>(221)</u>	<u>5,054</u>
Net Cash Provided by Operating Activities	<u>\$ 3,904,967</u>	<u>\$ 4,520,643</u>
 Noncash investing, capital and financing activities		
Fair value of non-cash investments	\$ -	\$ 9,441

City of Ketchikan, Alaska
Wastewater Services Fund
Comparative Statements of Net Position
December 31, 2014 and 2013

	2014	2013
Assets		
Current assets		
Cash and temporary investments	\$ 998,442	\$ 74,325
Restricted cash, cash equivalents and investments:		
Debt service	17,992	32,808
Accounts receivable		
Accounts	147,287	-
Intergovernmental	639,240	1,215,297
Unbilled revenue	122,886	118,404
Total current assets	<u>1,925,847</u>	<u>1,440,834</u>
Noncurrent assets		
Capital assets		
Construction work in progress	480,474	3,802,406
Wastewater facilities	24,648,869	20,830,341
Accumulated depreciation	(7,352,995)	(7,054,921)
Total capital assets (net of accumulated depreciation)	<u>17,776,348</u>	<u>17,577,826</u>
Total noncurrent assets	<u>17,776,348</u>	<u>17,577,826</u>
Total Assets	<u><u>\$ 19,702,195</u></u>	<u><u>\$ 19,018,660</u></u>
Liabilities		
Current liabilities		
Accounts payable	\$ 65,913	\$ 67,443
Accrued interest	4,297	19,316
Compensated absences payable	3,497	2,811
General obligation bonds payable	68,032	67,021
Revenue bonds payable	13,548	13,349
Total current liabilities	<u>155,287</u>	<u>169,940</u>
Noncurrent liabilities		
Accrued interest payable	7,081	1,655
Compensated absences payable	31,474	25,297
General obligation bonds payable	2,643,938	2,683,406
Revenue bonds payable	281,915	295,464
Total noncurrent liabilities	<u>2,964,408</u>	<u>3,005,822</u>
Total liabilities	<u>3,119,695</u>	<u>3,175,762</u>
Net position		
Net investment in capital assets	14,768,915	14,518,586
Restricted for bond retirement	6,614	11,837
Unrestricted	1,806,971	1,312,475
Total net position	<u>16,582,500</u>	<u>15,842,898</u>
Total Liabilities and Net Position	<u><u>\$ 19,702,195</u></u>	<u><u>\$ 19,018,660</u></u>

City of Ketchikan, Alaska
Wastewater Services Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
For the Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues		
Charges for services	\$ 2,575,541	\$ 2,451,800
Other	(500)	14,891
Total Operating Revenues	<u>2,575,041</u>	<u>2,466,691</u>
Operating Expenses		
Operation and maintenance		
Personnel services	843,523	789,932
Supplies and services	537,935	774,150
Engineering services	258,857	256,453
Financial service	177,517	188,187
Insurance	16,606	19,218
Utilities	185,695	193,202
Depreciation	427,712	398,028
Total Operating Expenses	<u>2,447,845</u>	<u>2,619,170</u>
Operating Income (Loss)	<u>127,196</u>	<u>(152,479)</u>
Non-Operating Revenues (Expenses)		
Operating grants	22,636	10,475
Interest earnings	(28)	(62)
Interest expense	(29,402)	(22,848)
Total Non-Operating Revenues (Expenses)	<u>(6,794)</u>	<u>(12,435)</u>
Net Loss Before Grants and Transfers	120,402	(164,914)
Grants and Transfers		
Capital grants	699,200	3,704,853
Transfers out - payment in lieu of taxes	(80,000)	(80,000)
Total Grants and Transfers	<u>619,200</u>	<u>3,624,853</u>
Change in Net Postion	739,602	3,459,939
Net Position Beginning of Year	<u>15,842,898</u>	<u>12,382,959</u>
Net Position End of Year	<u><u>\$16,582,500</u></u>	<u><u>\$15,842,898</u></u>

City of Ketchikan, Alaska
Wastewater Services Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 2,423,272	\$ 2,454,752
Cash payments to employees for services	(814,024)	(784,556)
Cash payments to suppliers for goods and services	<u>(1,197,360)</u>	<u>(1,488,393)</u>
Net Cash Provided by Operating Activities	<u>411,888</u>	<u>181,803</u>
Cash Flows from Noncapital Financing Activities		
Operating grant from other governments	22,636	10,475
Payment in lieu of taxes to the general fund	(80,000)	(80,000)
Cash overdraft payments	<u>-</u>	<u>(86,909)</u>
Net Cash Used by Noncapital Financing Activities	<u>(57,364)</u>	<u>(156,434)</u>
Cash Flows from Capital and Related Financing Activities		
Capital grant received from other governments	1,275,257	1,256,958
Capital debt proceeds	28,564	833,138
Principal paid on general obligation bonds and equipment contracts	(80,371)	(39,335)
Interest paid on general obligation bonds and equipment contracts	(38,995)	(13,110)
Payments for capital acquisitions and construction	<u>(629,650)</u>	<u>(1,955,825)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>554,805</u>	<u>81,826</u>
Cash Flows from Investing Activities		
Investment earnings	<u>(28)</u>	<u>(62)</u>
Net Cash Used by Investing Activities	<u>(28)</u>	<u>(62)</u>
Net Increase in Cash and Cash Equivalents	909,301	107,133
Cash and Cash Equivalents Beginning of Year	<u>107,133</u>	<u>-</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 1,016,434</u></u>	<u><u>\$ 107,133</u></u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:		
Cash and temporary investments - current assets	998,442	74,325
Revenue bond redemption fund - restricted	<u>17,992</u>	<u>32,808</u>
	<u><u>\$ 1,016,434</u></u>	<u><u>\$ 107,133</u></u>

(continued)

City of Ketchikan, Alaska
Wastewater Services Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

(continued)

	<u>2014</u>	<u>2013</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Loss	\$ 127,196	\$ (152,479)
Adjustments:		
Depreciation	427,712	398,028
(Increase) in Assets:		
Accounts receivable	(147,287)	
Unbilled revenue	(4,482)	(11,939)
Increase (Decrease) in Liabilities:		
Accounts payable	1,886	(46,708)
Compensated absences payable	6,863	(5,099)
Net Cash Provided (Used) by Operating Activities	<u>\$ 411,888</u>	<u>\$ 181,803</u>



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INTERNAL SERVICE FUNDS

Self-Insurance Fund - This fund accounts for claims not covered by the City's insurance policies.

Compensated Absences Fund – The fund accounts for the accumulation of resources used to pay for compensated absences of employees accounted for in governmental funds.

City of Ketchikan, Alaska
Combining Statement of Net Position
Internal Service Funds
December 31, 2014

	<u>Self-Insurance</u>	<u>Compensated Absences</u>	<u>Total Internal Service Funds</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 681,125	\$ 1,327,290	\$ 2,008,415
Interest receivable	24,000		24,000
Prepaid insurance	645,950	-	645,950
Total Current Assets	<u>1,351,075</u>	<u>1,327,290</u>	<u>2,678,365</u>
Noncurrent Assets:			
Internal Receivable	600,000	-	600,000
Total Noncurrent Assets	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Total Assets	<u><u>\$ 1,951,075</u></u>	<u><u>\$ 1,327,290</u></u>	<u><u>\$ 3,278,365</u></u>
Liabilities			
Current Liabilities:			
Accounts payable	115,399	-	115,399
Compensated absences payable	-	132,729	132,729
Claims payable	143,000	-	143,000
Total Current Liabilities	<u>258,399</u>	<u>132,729</u>	<u>391,128</u>
Noncurrent Liabilities:			
Compensated absences payable (net of current portion)	-	1,194,561	1,194,561
Total Liabilities	<u>258,399</u>	<u>1,327,290</u>	<u>1,585,689</u>
Net Position			
Unrestricted	<u><u>\$ 1,692,676</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,692,676</u></u>

City of Ketchikan, Alaska
Combining Statement of Revenues,
Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2014

	Self-Insurance	Compensated Absences	Total Internal Service Funds
Operating Revenues			
Charges for services	\$ 1,191,330	\$ 1,082,361	\$ 2,273,691
Miscellaneous income	118,911	-	118,911
Total Revenues	<u>1,310,241</u>	<u>1,082,361</u>	<u>2,392,602</u>
Operating Expenses			
Compensated absences	-	1,082,361	1,082,361
Insurance	1,249,013	-	1,249,013
Claims	37,228	-	37,228
Total Operating Expenses	<u>1,286,241</u>	<u>1,082,361</u>	<u>2,368,602</u>
Operating Income	<u>24,000</u>	<u>-</u>	<u>24,000</u>
Change in Net Position	24,000	-	24,000
Net Position Beginning of Year	<u>1,668,676</u>	<u>-</u>	<u>1,668,676</u>
Net Position End of Year	<u><u>\$ 1,692,676</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,692,676</u></u>

City of Ketchikan, Alaska
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2014

	<u>Self-Insurance</u>	<u>Compensated Absences</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities			
Cash received from customers and users	\$ 1,310,241	\$ 1,082,361	\$ 2,392,602
Cash payments for insurance and claims	(1,352,309)	-	(1,352,309)
Cash payments for compensated absences	-	(1,055,994)	(1,055,994)
Net Cash Provided (Used) by Operating Activities	<u>(42,068)</u>	<u>26,367</u>	<u>(15,701)</u>
Cash Flows from Investing Activities			
Interest on investments	(24,000)	-	(24,000)
Net Cash Used by Investing Activities	<u>(24,000)</u>	<u>-</u>	<u>(24,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(66,068)	26,367	(39,701)
Cash and Cash Equivalents Beginning of Year	<u>747,193</u>	<u>1,300,923</u>	<u>2,048,116</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 681,125</u></u>	<u><u>\$ 1,327,290</u></u>	<u><u>\$ 2,008,415</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities			
Operating Income	\$ 24,000	\$ -	\$ 24,000
(Increase) in Assets:			
Prepaid expenses	(68,844)	-	(68,844)
Increase (Decrease) in Liabilities:			
Accounts payable	109,776	-	109,776
Compensated absences payable	-	26,367	26,367
Claims payable	(107,000)	-	(107,000)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (42,068)</u></u>	<u><u>\$ 26,367</u></u>	<u><u>\$ (15,701)</u></u>

CITY OF KETCHIKAN, ALASKA

(Page 1 of 2)

COMBINED SCHEDULE OF CASH AND INVESTMENTS BALANCES - ALL FUNDS

Year Ended December 31, 2014

Cash and Investment Balances

Cash in Revenue Bond Redemption Accounts	\$1,963,202
Cash in Petty Cash Funds	9,570
Cash in Other Accounts	<u>50,879,592</u>
Total Cash	<u>52,852,364</u>

Investments

Investments with Financial Institutions	<u>52,161,666</u>
Total Investments	<u>\$52,161,666</u>

Total Cash and Investments

\$105,014,030

General Fund

Unrestricted Funds	\$1,598,162	
Investigation Funds	<u>137,151</u>	\$1,735,313

Special Revenue Funds

Sales Tax Hospital Fund	\$5,916,547	
Sales Tax Public Works Fund	4,958,475	
Economic Development Parking Fund	232,796	
Transient Tax Fund	178,479	
Solid Waste Services Fund	3,652,957	
Ketchikan Boat Harbor Fund	1,119,897	
Bayview Cemetery Fund	141,305	
US Marshall Property Seizure Fund	162,752	
Community Grant Fund	5,992	
Shoreline Fund	<u>130,100</u>	16,499,300

Capital Project Funds

Major Capital Improvement Fund		
Unrestricted Funds	144,640	
Commercial Passenger Excise Tax Funds	196,727	
Community Facilities Development Fund		
Unrestricted Funds	2,277,291	
Bond Construction Funds	515,815	
Harbor Improvements Fund		
Unrestricted Funds	1,206,738	
Bond Construction Funds	2,683,878	
Hospital Construction Fund	<u>\$42,738,247</u>	\$49,763,336

CITY OF KETCHIKAN, ALASKA

(Page 2 of 2)

COMBINED SCHEDULE OF CASH AND INVESTMENTS BALANCES - ALL FUNDS (Cont'd)

Year Ended December 31, 2014

Enterprise Funds

Wastewater Service Fund		
Unrestricted Funds	\$998,442	
Revenue Bond Redemption Funds	17,992	
Ketchikan Port Fund:		
Unrestricted Funds	5,504,277	
Revenue Bond Redemption Funds	845,762	
Commercial Passenger Excise Tax Funds	1,619,258	
Repair & Replacement Funds	3,664,611	
Revenue Bond Reserve Funds	2,592,786	
Ketchikan Public Utilities Fund:		
Unrestricted Funds	16,778,078	
Revenue Bond Redemption Funds	1,099,448	
Bond Construction Funds	208,971	
Revenue Bond Reserve Funds	<u>1,678,041</u>	\$35,007,666

Internal Service Funds

Self-Insurance Fund	681,125	
Compensated Leave Fund	<u>\$1,327,290</u>	<u>2,008,415</u>

Total Cash and Investments

\$105,014,030

CITY OF KETCHIKAN, ALASKA
COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS
Year Ended December 31, 2014

		<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Amount</i>
BAR HARBOR SOUTH FUND INVESTMENTS				
Wells Fargo Advisors				
	Cash and Money Funds			<u>408,065</u>
CITY OF KETCHIKAN GENERAL INVESTMENT ACCOUNT				
Wells Fargo Advisors				
	US Treasury Notes	2.250%	1/31/2015	100,164
	US Treasury Notes	4.875%	8/15/2016	427,952
	Cash and Money Funds			<u>268,076</u>
				<u>796,192</u>
KETCHIKAN PUBLIC UTILITIES - REVENUE BOND RESERVE FUND INVESTMENTS				
Bank of New York Mellon				
	Cash and Money Funds			<u>1,758,678</u>
KETCHIKAN PORT - REVENUE BOND RESERVE FUND INVESTMENTS				
Wells Fargo Advisors				
	US Treasury Notes	0.250%	2/15/2015	1,783,285
	Cash and Money Funds			<u>809,501</u>
				<u>2,592,786</u>
FIRE STATION CONSTRUCTION FUND				
Wells Fargo Advisors				
	Cash and Money Funds			<u>321,500</u>
LIBRARY FACILITIES CONSTRUCTION FUND				
Wells Fargo Advisors				
	Cash and Money Funds			<u>194,315</u>
HARBOR BOND CONSTRUCTION FUND				
First Bank				
	Cash and Money Funds			<u>3,008,595</u>
KETCHIKAN MEDICAL CENTER BOND CONSTRUCTION FUND				
First Bank				
	Cash and Money Funds			<u>43,081,535</u>
TOTAL ALL FUNDS				<u><u>52,161,666</u></u>



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STATISTICAL SECTION

This section of the City of Ketchikan's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Government-wide Information These schedules contain information that help the reader understand how the City's government-wide financial performance and well-being have changed over time.	151
Financial Trends These schedules contain trend information that help the reader understand how the City's financial performance and well-being have changed over time.	159
Revenue Capacity These schedules present information to help the reader assess the city's most significant local revenue source, property taxes.	165
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	181
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	187
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	191

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; tables presenting government-wide information include information in that year. The City implemented GASB Statement 44 in 2006; schedules presenting government-wide information include information beginning in that year.



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GOVERNMENT-WIDE INFORMATION

These schedules contain information to help the reader understand how the City’s government-wide financial performance and well-being have changed over time.

Net Position by Component.....	Table 1
Changes in Net Position.....	Table 2

(Un-Audited)

City of Ketchikan, Alaska
Net Position by Component
Last Ten Fiscal Years

	2005	2006	2007	Restated 2008
Governmental activities				
Net investment in capital assets	\$ 78,949,802	\$ 82,946,674	\$ 100,387,358	\$ 102,795,408
Restricted	8,208,471	8,500,972	8,635,185	7,867,366
Unrestricted	19,680,452	21,842,202	24,554,392	24,486,577
Total governmental activities net position	<u>\$ 106,838,725</u>	<u>\$ 113,289,848</u>	<u>\$ 133,576,935</u>	<u>\$ 135,149,351</u>
Business-type activities				
Net investment in capital assets	\$ 64,103,610	\$ 65,014,842	\$ 65,421,421	\$ 68,944,529
Restricted	3,045,731	8,528,058	7,819,498	9,173,772
Unrestricted	23,415,765	23,371,639	26,243,152	28,054,404
Total business-type activities net position	<u>\$ 90,565,106</u>	<u>\$ 96,914,539</u>	<u>\$ 99,484,071</u>	<u>\$ 106,172,705</u>
Primary Government				
Net investment in capital assets	\$ 143,053,412	\$ 147,961,516	\$ 165,808,779	\$ 171,739,937
Restricted	11,254,202	17,029,030	16,454,683	17,041,138
Unrestricted	43,096,217	45,213,841	50,797,544	52,540,981
Total primary government net position	<u>\$ 197,403,831</u>	<u>\$ 210,204,387</u>	<u>\$ 233,061,006</u>	<u>\$ 241,322,056</u>

Table 1

2009	2010	2011	Restated 2012	2013	2014
\$ 105,240,716	\$ 109,138,701	\$ 118,331,373	\$ 124,187,486	\$ 123,952,440	\$ 143,909,094
9,302,674	7,975,618	8,010,280	7,668,494	8,148,212	8,922,032
22,137,657	21,265,521	22,791,652	20,015,992	19,781,991	19,246,474
<u>\$ 136,681,047</u>	<u>\$ 138,379,840</u>	<u>\$ 149,133,305</u>	<u>\$ 151,871,972</u>	<u>\$ 151,882,643</u>	<u>\$ 172,077,600</u>
\$ 75,194,012	\$ 78,533,777	\$ 88,231,320	\$ 101,715,542	\$ 118,874,119	\$ 124,479,056
8,695,571	8,196,207	8,431,062	8,624,752	9,098,473	11,494,674
23,958,481	26,306,929	27,164,343	27,346,998	30,740,061	28,552,851
<u>\$ 107,848,064</u>	<u>\$ 113,036,913</u>	<u>\$ 123,826,725</u>	<u>\$ 137,687,292</u>	<u>\$ 158,712,653</u>	<u>\$ 164,526,581</u>
\$ 171,739,937	\$ 180,434,728	\$ 206,562,693	\$ 225,903,028	\$ 242,826,559	\$ 268,388,150
17,998,245	17,998,245	16,441,342	16,293,246	17,246,685	20,416,706
46,096,138	47,572,450	49,955,995	47,362,990	50,522,052	47,799,325
<u>\$ 235,834,320</u>	<u>\$ 246,005,423</u>	<u>\$ 272,960,030</u>	<u>\$ 289,559,264</u>	<u>\$ 310,595,296</u>	<u>\$ 336,604,181</u>

(Un-Audited)

City of Ketchikan, Alaska
Changes in Net Position
Last Ten Fiscal Years

	2005	2006	2007	Restated 2008	2009
Expenses					
Governmental activities:					
General government	\$ 2,511,022	\$ 1,959,927	\$ 2,042,750	\$ 2,385,231	\$ 2,103,140
Public safety	6,717,659	6,835,651	7,288,610	8,004,100	7,803,886
Culture	2,396,342	2,566,929	2,551,355	3,336,986	2,896,827
Health and welfare	5,048,556	3,485,604	3,975,894	4,011,821	2,947,696
Public works	4,866,229	5,617,473	6,033,515	8,888,160	10,003,285
Harbor	1,301,859	1,418,733	1,642,466	1,639,600	2,066,607
Interest	355,271	344,778	321,854	296,709	278,749
Total governmental activities expenses	23,196,938	22,229,095	23,856,444	28,562,607	28,100,190
Business-type activities					
Ketchikan Public Utilities					
Electric	\$ 12,828,046	\$ 14,057,328	\$ 15,044,569	\$ 17,331,151	\$ 17,451,474
Telecommunications	10,880,155	11,835,693	12,512,416	11,901,997	13,447,338
Water	2,786,789	2,834,098	2,886,251	2,902,139	2,846,215
Ketchikan Port	2,837,681	4,097,435	4,723,553	7,176,395	9,026,767
Wastewater Service	1,702,546	1,680,328	2,013,615	2,297,544	2,583,454
Total business-type activities expenses	31,035,217	34,504,882	37,180,404	41,609,226	45,355,248
Total primary government expenses	\$ 54,232,155	\$ 56,733,977	\$ 61,036,848	\$ 70,171,833	\$ 73,455,438
Program Revenues					
Governmental activities:					
Charges for services:					
Ambulance	\$ 405,636	\$ 369,017	\$ 389,500	\$ 434,934	\$ 385,373
Library services	418,034	420,246	435,876	436,601	421,585
Mental Health & Substance Abuse	831,529	618,937	472,351	381,844	596,067
Solid Waste	2,719,019	2,833,419	2,821,632	2,881,079	2,776,619
Harbor	894,569	940,106	973,142	1,103,677	1,156,343
Other activities	1,242,098	1,413,971	1,296,568	1,634,340	1,610,935
Operating grants and contributions	1,814,834	1,776,296	1,846,610	2,169,658	1,220,785
Capital grants and contributions	233,637	2,324,529	170,663	375,443	4,125,310
Total governmental activities program revenues	8,559,356	10,696,521	8,406,342	9,417,576	12,293,017
Business-type activities					
Charges for services					
Electric	\$ 13,232,075	\$ 14,468,144	\$ 14,779,712	\$ 17,699,413	\$ 16,619,118
Telecommunications	12,335,107	14,032,603	13,431,826	12,958,489	13,727,676
Water	1,582,841	1,718,781	1,924,163	2,024,614	2,247,801
Port	7,096,948	6,427,207	7,895,063	8,839,267	8,922,228
Wastewater	1,894,718	1,942,529	2,038,361	2,038,287	2,029,614
Operating grants and contributions	57,037	107,582	126,032	257,948	149,270
Capital grants and contributions	218,491	2,137,467	3,563,444	4,304,943	2,991,174
Total business-type activities program revenues	36,417,217	40,834,313	43,758,601	48,122,961	46,686,881
Total primary government program revenues	\$ 44,976,573	\$ 51,530,834	\$ 52,164,943	\$ 57,540,537	\$ 58,979,898

Table 2

2010	2011	Restated 2012	2013	2014
\$ 2,365,376	\$ 1,928,342	\$ 2,290,233	\$ 2,472,898	\$ 2,683,962
7,751,934	8,368,059	8,964,646	8,807,683	9,723,428
2,822,040	2,862,064	3,097,918	3,445,959	3,300,295
1,875,578	1,272,680	2,541,686	747,893	1,099,588
7,788,434	8,015,271	9,423,324	10,840,175	10,373,365
2,057,164	2,169,152	2,154,270	1,851,082	2,192,468
256,909	478,822	757,879	655,947	1,519,245
24,917,435	25,094,390	29,229,956	28,821,637	30,892,351
\$ 16,036,369	\$ 16,141,172	\$ 16,790,404	\$ 19,705,332	\$ 17,352,078
12,321,547	13,172,392	14,500,244	14,405,757	15,649,634
2,833,765	3,221,650	3,595,668	4,029,711	3,905,078
8,929,902	7,452,615	7,194,938	9,133,140	11,012,311
2,228,373	2,401,671	2,735,348	2,642,018	2,477,247
42,349,956	42,389,500	44,816,602	49,915,958	50,396,348
\$ 67,267,391	\$ 67,483,890	\$ 74,046,558	\$ 78,737,595	\$ 81,288,699
\$ 516,049	\$ 521,621	\$ 470,682	\$ 515,158	\$ 606,369
351,494	381,162	471,662	666,621	641,607
140,862				
2,816,287	2,940,490	2,948,507	2,851,958	2,907,531
1,116,361	1,159,273	1,250,292	1,191,053	1,247,810
1,252,815	1,573,835	1,431,758	1,204,043	1,236,754
963,699	1,173,178	1,153,337	1,562,913	2,444,297
2,840,226	10,529,822	6,878,384	2,736,373	18,050,935
9,997,793	18,279,381	14,604,622	10,728,119	27,135,303
\$ 15,370,110	\$ 16,223,890	\$ 16,746,615	\$ 18,898,966	\$ 16,300,445
14,390,486	14,444,541	14,530,914	15,185,977	16,097,808
2,532,659	2,896,152	2,932,254	3,078,704	3,171,300
8,000,492	7,986,404	8,592,255	9,145,920	8,578,059
2,009,767	2,117,793	2,215,314	2,451,800	2,575,541
111,337	221,076	2,225,280	2,280,470	2,973,832
5,361,548	9,908,854	12,327,627	20,670,211	12,261,064
47,776,399	53,798,710	59,570,259	71,712,048	61,958,049
\$ 57,774,192	\$ 72,078,091	\$ 74,174,881	\$ 82,440,167	\$ 89,093,352

(Un-Audited)

City of Ketchikan, Alaska
Changes in Net Position (continued)
Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Restated 2008</u>	<u>2009</u>
Net (Expense)/Revenue					
Governmental activities	\$ (14,637,582)	\$ (11,532,574)	\$ (15,450,102)	\$ (19,145,031)	\$ (15,807,173)
Business-type activities	<u>5,382,000</u>	<u>6,329,431</u>	<u>6,578,197</u>	<u>6,513,735</u>	<u>1,331,633</u>
Total primary government net (expense) revenue	\$ (9,255,582)	\$ (5,203,143)	\$ (8,871,905)	\$ (12,631,296)	\$ (14,475,540)
 Governmental Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 3,660,138	\$ 3,895,032	\$ 4,073,391	\$ 4,482,595	\$ 4,634,797
Sales taxes	9,045,296	9,203,890	9,663,743	10,441,027	9,568,759
Transient taxes	383,036	346,341	526,915	449,708	355,729
Intergovernmental - unrestricted	215,211	484,967	701,006	794,368	729,325
Investment earnings	837,639	1,234,797	1,425,411	1,175,583	469,839
Contributions of capital assets not restricted	-	-	-	-	-
 Miscellaneous	196,137	212,911	1,209,209	1,316,542	615,419
Special Item	-	-	-	507,229	-
Transfers	<u>3,197,685</u>	<u>2,605,759</u>	<u>6,324,169</u>	<u>1,550,395</u>	<u>965,000</u>
Total governmental activities	<u>\$ 17,535,142</u>	<u>\$ 17,983,697</u>	<u>\$ 23,923,844</u>	<u>\$ 20,717,447</u>	<u>\$ 17,338,868</u>
 Business-type activities:					
Investment earnings	\$ 744,364	\$ 1,816,783	\$ 1,873,235	\$ 1,214,525	\$ 671,967
Miscellaneous	482,311	808,978	442,269	408,670	636,759
Special Item	-	-	-	102,099	-
Extraordinary Item	(2,432,884)	-	-	-	-
Transfers	<u>(3,197,685)</u>	<u>(2,605,759)</u>	<u>(6,324,169)</u>	<u>(1,550,395)</u>	<u>(965,000)</u>
Total business-type activities	<u>(4,403,894)</u>	<u>20,002</u>	<u>(4,008,665)</u>	<u>174,899</u>	<u>343,726</u>
Total primary government	<u>\$ 13,131,248</u>	<u>\$ 18,003,699</u>	<u>\$ 19,915,179</u>	<u>\$ 20,892,346</u>	<u>\$ 17,682,594</u>
 Change in Net Position					
Governmental activities	\$ 2,897,560	\$ 6,451,123	\$ 8,473,742	\$ 1,572,416	\$ 1,531,695
Business-type activities	<u>978,106</u>	<u>6,349,433</u>	<u>2,569,532</u>	<u>6,688,634</u>	<u>1,675,359</u>
Total primary government	<u>\$ 3,875,666</u>	<u>\$ 12,800,556</u>	<u>\$ 11,043,274</u>	<u>\$ 8,261,050</u>	<u>\$ 3,207,054</u>

Table 2 - (Continued)

2010	2011	Restated 2012	2013	2014
\$ (14,919,642)	\$ (6,815,009)	\$ (14,625,334)	\$ (18,093,518)	\$ (3,757,048)
5,426,443	11,409,210	14,753,657	21,796,090	11,561,701
\$ (9,493,199)	\$ 4,594,201	\$ 128,323	\$ 3,702,572	\$ 7,804,653
\$ 4,681,027	\$ 4,808,930	\$ 4,802,508	\$ 5,496,857	\$ 5,513,202
9,477,890	9,883,856	10,140,108	10,207,189	10,995,570
391,089	377,583	358,343	395,867	388,723
810,802	1,137,762	744,301	522,456	539,771
157,012	101,754	9,488	(2,470)	89,179
77,615	161,589	290,761	219,091	221,756
1,023,000	1,097,000	1,105,178	1,265,199	6,203,804
\$ 16,618,435	\$ 17,568,474	\$ 17,450,687	\$ 18,104,189	\$ 23,952,005
\$ 182,542	\$ 132,196	\$ 116,989	\$ 5,911	\$ 129,167
602,864	345,406	522,859	488,559	326,864
(1,023,000)	(1,097,000)	(1,105,178)	(1,265,199)	(6,203,804)
(237,594)	(619,398)	(465,330)	(770,729)	(5,747,773)
\$ 16,380,841	\$ 16,949,076	\$ 16,985,357	\$ 17,333,460	\$ 18,204,232
\$ 1,698,793	\$ 10,753,465	\$ 2,825,353	\$ 10,671	\$ 20,194,957
5,188,849	10,789,812	14,288,327	21,025,361	5,813,928
\$ 6,887,642	\$ 21,543,277	\$ 17,113,680	\$ 21,036,032	\$ 26,008,885



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FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Fund Balances, Governmental Funds	Table 3
Changes in Fund Balances, Governmental Funds	Table 4
Tax Revenues by Source, Governmental Funds	Table 5

(Un-Audited)

City of Ketchikan, Alaska
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2005	2006	2007	2008
General Fund				
Reserved	\$ 631,383	\$ 721,656	\$ 804,983	\$ 633,594
Unreserved	4,896,236	4,868,556	4,523,852	4,436,748
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total general fund	<u>\$ 5,527,619</u>	<u>\$ 5,590,212</u>	<u>\$ 5,328,835</u>	<u>\$ 5,070,342</u>
All Other Governmental Funds				
Reserved	\$ 5,922,076	\$ 6,399,364	\$ 3,919,777	\$ 6,516,387
Unreserved, reported in:				
Designated				
Special revenue funds	12,613,716	13,782,467	15,715,623	14,173,319
Capital project funds	1,793,046	2,269,925	5,428,243	2,996,186
Debt service funds				
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total all other governmental funds	<u>\$ 20,328,838</u>	<u>\$ 22,451,756</u>	<u>\$ 25,063,643</u>	<u>\$ 23,685,892</u>

This schedule presents the reported fund balances with the implementation of GASB Statement 54 for calendar year 2011, and 2010, as restated. Prior years 2002 through 2009 have not been restated.

Table 3

2009	Restated 2010	2011	2012	2013	2014
\$ 602,723 4,046,686	\$ 391,593	\$ 382,742	\$ 376,517	\$ 391,977	\$ 418,618
	14,025,344 3,298,478	15,834,417 3,271,596	14,323,611 2,606,320	13,347,874 3,350,096	12,696,062 3,723,002
<u>\$ 4,649,409</u>	<u>\$ 17,715,415</u>	<u>\$ 19,488,755</u>	<u>\$ 17,306,448</u>	<u>\$ 17,089,947</u>	<u>\$ 16,837,682</u>
\$ 6,320,258					
13,577,367 4,154,046	\$ 7,270,633 455,846 7,962,654	\$ 4,368,168 1,107,501 7,056,295	\$ 2,992,632 7,742,208	\$ 10,857 9,766,365	\$ 46,297,419 8,407,154
<u>\$ 24,051,671</u>	<u>\$ 15,689,133</u>	<u>\$ 12,531,964</u>	<u>\$ 10,734,840</u>	<u>\$ 9,777,222</u>	<u>\$ 54,704,573</u>

(Un-Audited)

City of Ketchikan, Alaska
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2005	2006	2007	2008
Revenues				
Taxes	\$ 13,166,875	\$ 13,354,456	\$ 14,199,771	\$ 15,325,083
Licenses and permits	122,894	109,732	122,275	104,742
Intergovernmental	2,650,245	4,563,268	3,109,206	3,704,389
Charges for services	6,184,437	6,246,819	6,083,444	6,494,421
Fines and forfeitures	174,372	144,904	169,049	284,085
Investments earnings	523,444	990,881	1,134,288	1,159,148
Contributions				
Interdepartmental charges	2,313,773	2,711,378	2,663,164	3,001,060
Miscellaneous	207,460	223,378	1,211,136	1,561,193
Total revenues	25,343,500	28,344,816	28,692,333	31,634,121
Expenditures				
General government	\$ 3,850,434	\$ 4,292,014	\$ 4,158,340	\$ 4,700,644
Public safety	6,592,719	6,842,820	7,221,346	8,513,209
Culture	2,426,921	2,316,367	2,342,355	3,458,592
Health and welfare	4,931,566	3,371,208	4,260,761	3,863,755
Public works	8,080,031	8,246,265	7,076,021	9,506,008
Harbor	1,961,213	2,997,601	6,833,930	3,917,652
Debt service				
Interest and fiscal charges	314,428	347,152	324,357	301,170
Principal retirement	624,156	505,130	563,193	573,038
Total expenditures	28,781,468	28,918,557	32,780,303	34,834,068
Excess of revenues over (under) expenditures	(3,437,968)	(573,741)	(4,087,970)	(3,199,947)
Other Financing Sources (Uses)				
Sale of capital assets	\$ 6,200	\$ 49,129	\$ 114,311	\$ 13,308
Proceeds of refunded bonds	7,105,051	-	-	-
Proceeds from sale of bonds	-	-	-	-
Premiums from sale of bonds	-	-	-	-
Bond issuance costs	(95,572)	-	-	-
Payments to refunded bond agent	(6,920,463)	-	-	-
Capital lease	30,493	104,364	-	-
Transfers in	7,506,561	6,871,876	10,133,487	5,855,913
Transfers out	(4,308,876)	(4,266,117)	(3,809,318)	(4,305,518)
Total other financing sources (uses)	3,323,394	2,759,252	6,438,480	1,563,703
Net change in fund balances	\$ (114,574)	\$ 2,185,511	\$ 2,350,510	\$ (1,636,244)
Debt service as a percentage of noncapital expenditures	4.29%	3.62%	3.63%	3.00%

Table 4

2009	2010	2011	2012	2013	2014
\$ 14,525,068	\$ 14,343,068	\$ 15,128,079	\$ 15,311,798	\$ 16,085,582	\$ 16,704,419
90,922	119,522	276,275	114,480	91,516	97,998
5,553,375	4,515,036	12,834,694	8,694,716	4,550,899	20,400,912
6,520,335	6,050,968	6,082,885	6,208,863	6,191,082	6,290,591
237,599	136,681	159,574	167,553	182,562	266,098
1,495,589	101,960	208,321	9,488	(2,356)	65,179
913,284	86,054	1,598	74,656	105,505	453,522
3,029,714	3,048,226	3,175,838	3,395,081	3,149,075	3,150,268
592,694	223,768	196,281	291,613	407,870	464,539
32,958,580	28,625,283	38,063,545	34,268,248	30,761,735	47,893,526
\$ 4,636,560	\$ 4,635,116	\$ 4,694,767	\$ 5,029,536	\$ 4,914,708	\$ 5,159,975
7,943,723	9,253,467	15,794,570	11,613,580	8,460,223	9,977,972
2,705,436	3,704,718	4,256,978	11,487,388	3,067,307	3,401,183
3,325,151	1,504,139	1,553,869	2,334,980	457,254	11,745,136
11,453,823	9,943,954	9,862,985	10,456,004	11,040,657	15,462,846
3,073,447	2,265,892	3,136,954	2,148,053	3,423,048	7,075,954
283,669	264,280	454,029	598,624	1,140,000	1,444,671
589,339	575,000	800,000	930,000	697,856	1,180,000
34,011,148	32,146,566	40,554,152	44,598,165	33,201,053	55,447,737
(1,052,568)	(3,521,283)	(2,490,607)	(10,329,917)	(2,439,318)	(7,554,211)
\$ 32,414	-	\$ 9,778	\$ 10,795	-	\$ 17,772
-	-	-	-	-	-
-	\$ 7,200,000	-	4,820,003	-	44,040,000
-	1,751	-	414,510	-	2,134,131
-	-	-	-	-	(166,410)
-	-	-	-	-	-
-	-	-	-	-	-
5,682,231	5,277,851	2,750,515	3,975,430	\$ 3,334,665	\$ 9,009,820
(4,717,231)	(4,254,851)	(1,653,515)	(2,870,252)	(2,069,466)	(2,806,016)
997,414	8,224,751	1,106,778	6,350,486	1,265,199	52,229,297
\$ (55,154)	\$ 4,703,468	\$ (1,383,829)	\$ (3,979,431)	\$ (1,174,119)	\$ 44,675,086
3.18%	3.35%	4.96%	5.20%	6.32%	8.56%

(Un-Audited)

Table 5

City of Ketchikan, Alaska
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years

Fiscal Year	Real & Personal Property Taxes	Automobile and Boat Taxes	Penalty & Interest	Senior Citizen Local Contribution	Sales Taxes	Transient Taxes	Payment In Lieu of Taxes	Total
2005	3,823,753	94,688	73,928	(287,132)	9,066,564	395,074	-	13,166,875
2006	4,071,771	71,796	85,124	(292,668)	9,084,670	333,763	-	13,354,456
2007	4,213,607	88,723	87,502	(290,436)	9,581,723	518,652	-	14,199,771
2008	4,710,269	61,766	82,978	(305,235)	10,330,443	444,862	-	15,325,083
2009	4,845,524	63,588	71,381	(321,800)	9,491,524	366,856	7,995	14,525,068
2010	4,881,901	63,593	120,099	(336,120)	9,217,763	385,286	10,546	14,343,068
2011	4,920,064	76,677	124,146	(346,141)	9,965,173	378,096	10,064	15,128,079
2012	5,005,267	77,964	79,216	(354,923)	10,131,203	362,739	10,332	15,311,798
2013	5,750,117	48,589	88,207	(400,242)	10,201,586	386,230	11,095	16,085,582
2014	5,801,986	48,747	83,689	(427,956)	10,796,715	389,342	11,896	16,704,419
Change								
2014-2005	51.74%	-48.52%	13.20%	49.05%	19.08%	-1.45%		26.87%

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes, sales taxes and charges for services.

Direct and Overlapping Property Tax Rates	Table 6
Assessed Value and Actual Value of Taxable Property	Table 7
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Property Tax Levies and Collections.....	Table 9
Direct and Overlapping Sales Tax Rates	Table 10
Major Governmental Activities Customer Base and Charges for Services Income	Table 11
Major Business Type Activities Customer Base and Charges for Services Income	Table 12
Gross Sales by Category	Table 13



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(Un-Audited)

Table 6

City of Ketchikan, Alaska
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	City of Ketchikan	Ketchikan Gateway Borough	Total Rate
2005	6.4	7.5	13.9
2006	6.4	7.2	13.6
2007	6.1	6.8	12.9
2008	6.1	6.8	12.9
2009	6.1	6.0	12.1
2010	6.1	5.8	11.9
2011	6.2	5.8	12.0
2012	6.2	5.0	11.2
2013	6.7	5.0	11.7
2014	6.7	5.0	11.7

Tax Rate Limit: The laws of the State of Alaska limit property taxes to 3 percent of the value of property, but this limitation is not applicable to taxes levied or pledged to pay or secure the payment of the principal and interest on any bonds of any incorporated town or municipality, which taxes may be levied without limitation as to rate and amount.

Source: Ketchikan Gateway Borough

(Un-Audited)

City of Ketchikan, Alaska
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Vacant Property ⁽¹⁾	Commercial Property	Industrial Property	Apartment & Condominium Property	Other Property
2005	255,802,900	25,996,500	173,435,700	45,192,900	44,894,400	4,397,100
2006	276,260,200	27,147,700	187,371,100	44,225,000	47,212,900	8,684,600
2007	310,491,700	30,939,400	202,440,800	46,898,700	54,040,200	3,608,700
2008	347,617,900	32,621,300	219,509,300	53,346,100	61,058,900	3,778,200
2009	356,923,300	32,800,300	229,937,400	60,541,600	56,939,700	10,052,600
2010	365,177,600	32,136,200	231,054,200	63,405,300	58,391,900	9,407,200
2011	273,882,800	11,108,100	200,555,000	113,607,400	152,983,800	1,667,100
2012	370,947,500	31,244,700	297,047,800	-	61,355,800	3,743,400
2013	261,110,500	40,812,100	325,506,900	-	166,449,600	3,281,100
2014	396,406,500	37,402,300	313,022,400	-	62,960,400	3,690,000

⁽¹⁾ The vacant property classification includes property parcels that do not have improvements on the land. These vacant parcels may be located in residential, commercial and industrial zones.

⁽²⁾ The Senior Citizen/Disabled Veteran Tax Emempt program provides up to \$150,000 of tax relief for qualified individuals.

Note: The property in the city is reassessed at least every four years in accordance with the Ketchikan Gateway Borough's assessment procedures to reappraise certain geographical areas located within the Borough. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Source: Ketchikan Gateway Borough, Assessment Department

Table 7

Personal Property	Total Assessed Value	Tax-Exempt Property ⁽²⁾	Total Taxable Assessed Value	Tax Rate
45,248,700	594,968,200	45,078,700	549,889,500	6.4
42,419,800	633,321,300	45,729,300	587,592,000	6.4
48,912,700	697,332,200	47,670,500	649,661,700	6.1
50,809,700	768,741,400	50,094,600	718,646,800	6.1
50,913,200	798,108,100	52,754,100	745,354,000	6.1
41,375,000	800,947,400	55,101,700	745,845,700	6.1
47,370,800	801,175,000	55,829,300	745,345,700	6.2
44,177,700	808,516,900	58,818,800	749,698,100	6.2
60,238,000	857,398,200	59,737,600	797,660,600	6.7
56,345,700	869,827,300	63,874,100	805,953,200	6.7

City of Ketchikan, Alaska
Principal Property Taxpayers
Current Year and Nine Years Ago

	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Cape Fox Corporation	\$ 16,049,400	1	1.85%	\$ 10,041,000	1	1.69%
Trident Seafoods Corporation	15,974,200	2	1.84%			
Ketchikan Dock Company, LLC	14,137,800	3	1.63%			
Tongass Trading Company	11,705,500	4	1.35%	7,233,000	2	1.22%
Harbor Enterprises/Petro Marine Services	11,113,300	5	1.28%	4,212,500	9	0.71%
Boyer Towing Inc.	9,169,200	6	1.05%			
Dock Street Building Corporation	8,714,700	7	1.00%			
Landing LLC	8,342,300	8	0.96%			
E C Phillips & Son Inc.	8,069,100	9	0.93%	5,563,200	5	0.94%
Alaska General Seafood Processors	7,715,700	10	0.89%	4,718,900	7	0.79%
Carr-Gottstein Foods Company				6,770,600	3	1.14%
Wal-Mart				5,978,100	4	1.00%
Ketchikan Plaza, Inc.				5,238,100	6	0.88%
Tesoro Alaska				4,430,600	8	0.74%
Swan Bay Holding, Inc.				4,040,000	10	0.68%
Total	\$ 110,991,200		12.78%	\$ 58,226,000		9.79%

Source: Ketchikan Gateway Borough Department of Assessment

City of Ketchikan, Alaska
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for Municipal Purposes for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	3,519,293	3,464,863	98.45%	48,041	3,512,904	99.82%
2006	3,760,589	3,736,346	99.36%	24,221	3,760,567	100.00%
2007	3,962,936	3,881,477	97.94%	69,081	3,950,558	99.69%
2008	4,383,745	4,338,730	98.97%	35,105	4,373,835	99.77%
2009	4,546,659	4,472,274	98.36%	63,571	4,535,845	99.76%
2010	4,549,659	4,353,276	95.68%	162,560	4,515,836	99.26%
2011	4,621,143	4,565,367	98.79%	55,753	4,621,120	100.00%
2012	4,648,128	4,590,563	98.76%	57,554	4,648,117	100.00%
2013	5,344,326	5,276,616	98.73%	48,334	5,324,950	99.64%
2014	5,399,886	5,295,537	98.07%	-	5,295,537	98.07%

Source: Ketchikan Gateway Borough, Assessment Department

(Un-Audited)

Table 10

City of Ketchikan, Alaska
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City of Ketchikan¹	Ketchikan Gateway Borough	Total Rate
2005	3.5%	2.5%	6.0%
2006	3.5%	2.5%	6.0%
2007	3.5%	2.5%	6.0%
2008	3.5%	2.5%	6.0%
2009	3.5%	2.5%	6.0%
2010	3.5%	2.5%	6.0%
2011	3.5%	2.5%	6.0%
2012	3.5%	2.5%	6.0%
2013	3.5%	2.5%	6.0%
2014	4.0%	2.5%	6.5%

¹ The City of Ketchikan 4.0% sales tax rate became effective April 1, 2014.

Source: Ketchikan Gateway Borough & City of Ketchikan



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(Un-Audited)

City of Ketchikan, Alaska
Major Governmental Activities Customer Base and Charges for Services Income
Last Ten Fiscal Years

	2005	2006	2007	2008
<u>Collected Charges for Services Revenue</u>				
Solid Waste	\$ 2,719,019	\$ 2,833,419	\$ 2,821,632	\$ 2,881,079
Harbor	893,870	940,106	973,142	1,103,677
<u>Number of Customers/Services Provided</u>				
Solid Waste Collection				
Residential	2,454	2,495	2,516	2,479
Business	225	222	231	230
Solid Waste Disposal	5,339	5,342	5,403	5,405
Harbor				
Reserved Moorage Stalls Rented	780	780	765	759

Sources: City of Ketchikan Solid Waste and Small Boat Harbors financial and department records

Table 11

	2009		2010		2011		2012		2013		2014
\$	2,776,619	\$	2,816,287	\$	2,940,490	\$	2,948,507	\$	2,851,958	\$	2,907,531
	1,156,343		1,116,361		1,159,273		1,250,292		1,191,053		1,247,810
	2,454		2,402		2,524		2,558		2,559		2,599
	231		233		238		251		245		248
	5,446		5,419		5,485		5,537		5,571		5,528
	786		763		765		767		753		735

(Un-Audited)

City of Ketchikan, Alaska
Major Business Type Activities Customers and Charges for Services Income
Last Ten Fiscal Years

	2005	2006	2007	2008
<u>Collected Charges for Services Revenue</u>				
Electric				
Residential	\$ 5,414,050	\$ 5,952,863	\$ 6,184,106	\$ 6,691,810
Boats	254,450	280,735	290,847	289,017
Commercial	5,663,099	6,126,399	6,126,579	6,327,156
Industrial	1,413,345	1,554,201	1,614,368	1,615,798
Demand	334,829	403,234	411,557	426,839
Area Lighting	45,922	43,618	45,733	50,145
Street Lighting	121,980	122,694	122,122	123,012
Diesel Surcharge				2,205,971
Other	460,057	771,160	567,665	472,660
Telecommunications				
Local Network Services	3,257,503	3,237,357	2,854,206	2,644,869
Inter/Intrastate Network Access Services	6,955,054	8,403,318	7,745,095	7,449,484
Non-Regulated	1,607,548	1,856,903	2,271,838	2,361,103
Other	557,002	577,025	602,687	552,921
Water				
Residential	695,242	775,277	872,455	888,236
Apartments	136,054	153,435	166,001	174,022
Commercial	521,253	579,415	644,746	667,522
Industrial	69,007	72,726	77,977	79,714
Cannery	42,751	45,790	48,862	70,376
Fire Hydrant	7,872	8,511	9,029	9,210
Port	120,934	94,538	116,522	148,781
Other	13,805	26,411	14,156	27,337
Wastewater				
Residential Sewer Service	1,130,795	1,157,245	1,239,257	1,236,392
Business Sewer Service	753,062	774,006	799,104	801,895
Port				
Passenger Wharfage ¹	5,150,634	4,667,968	5,917,231	6,484,425
Docking	1,582,718	1,451,395	1,561,813	1,891,913
<u>Customer Base</u>				
Electric				
Residential	5,616	5,652	5,677	5,731
Commercial	1,068	1,077	1,091	1,105
Industrial	14	14	14	14
Other	504	508	523	496
Telecommunications				
Residential Access Lines	5,589	5,434	5,036	4,265
Commercial Access Lines	4,253	4,120	4,003	3,857
Water				
Residential	2,493	2,586	2,776	2,769
Apartments	15	15	16	18
Commercial	406	420	424	422
Industrial	7	6	7	7
Cannery	3	3	3	3
Fire Hydrant	4	4	4	4
Marine Vessels	33	25	25	31
Wastewater				
Residential ²	2,507	2,589	2,779	2,772
Business ³	420	426	431	429
Port				
Cruiseships	37	36	36	37
Stops	562	503	499	502
Passengers ⁴	921,429	837,498	894,216	930,958

¹ In 2004, the City Council adopted an ordinance to assess passenger wharfage fees for passengers arriving by passenger ship. The fee assessed to the passenger ships for passengers is dependent on whether the ship docks or lighters its passengers to City's owned berthing facilities.

² The number of residential customers reflected on this schedule includes the number of apartment buildings serviced for wastewater services.

³ Beginning in 2000, the industrial customers were lumped with all other commercial customers into the business category.

⁴ Beginning in 2006, the number of passengers only include those that generate revenue. The counts reflected in prior years represent both revenue and non-revenue generating passengers.

Table 12

	2009	2010	2011	2012	2013	2014
\$	6,743,435	\$ 6,557,170	\$ 6,929,817	\$ 7,240,637	\$ 6,929,393	\$ 6,796,723
	275,352	268,981	293,654	318,564	299,465	298,227
	6,167,549	6,186,808	6,404,792	6,673,188	6,701,322	6,690,774
	1,622,961	1,758,452	1,767,912	1,862,015	1,915,505	1,750,002
	429,295	427,292	443,170	481,321	510,887	514,972
	49,019	48,833	48,890	48,974	48,995	49,172
	123,499	124,526	124,978	126,239	126,178	127,692
	1,228,808	18,848	231,477	16,477	2,388,021	96,283
	564,893	562,291	442,410	464,797	426,644	293,569
	2,442,452	2,274,624	2,194,530	2,131,351	2,100,995	2,005,521
	8,163,920	8,644,023	8,591,786	8,399,849	8,660,056	9,259,709
	2,560,799	2,967,362	3,261,045	3,565,887	4,036,708	4,396,232
	616,505	560,477	453,180	489,827	444,218	499,346
	966,755	1,110,982	1,277,902	1,300,147	1,343,648	1,377,255
	188,158	214,427	250,519	258,792	269,394	294,082
	756,319	864,542	1,003,574	998,294	1,042,848	1,102,474
	68,793	64,890	85,894	87,840	91,425	79,182
	129,648	150,887	156,455	143,560	144,614	149,219
	19,170	30,378	34,922	27,199	22,864	23,539
	141,328	128,792	124,230	146,820	189,975	172,688
	51,879	10,569	51,804	20,970	24,160	10,256
	1,230,812	1,224,650	1,269,208	1,349,227	1,490,983	1,623,781
	798,802	785,117	848,585	866,087	960,818	951,760
	6,471,647	5,725,215	5,786,811	6,183,922	6,556,500	6,110,005
	1,929,406	1,721,945	1,702,405	1,741,242	1,877,195	1,770,044
	5,731	5,756	5,757	5,808	5,819	5,817
	1,127	1,153	1,165	1,173	1,171	1,201
	14	13	12	13	13	13
	493	496	509	524	511	518
	3,804	3,554	3,397	3,235	3,138	3,313
	3,663	3,442	3,225	3,078	2,909	2,550
	2,748	2,738	2,743	2,727	2,724	2,650
	18	17	17	20	21	25
	435	436	442	451	444	436
	6	5	5	4	4	3
	4	4	5	4	5	6
	6	7	7	8	8	8
	29	26	41	29	38	34
	2,752	2,742	2,748	2,731	2,729	2,656
	441	441	447	455	448	439
	36	26	28	34	31	37
	496	429	426	467	456	468
	926,051	820,914	830,547	885,799	938,124	877,589

(Un-Audited)

City of Ketchikan, Alaska
Gross Sales by Category
Last Ten Fiscal Years

	2005	2006	2007
Construction	\$ 54,209,252	\$ 46,658,908	\$ 72,042,565
Financial institutions	2,866,491	2,811,058	2,802,760
Hospitality/Lodging establishments	13,327,117	14,745,153	16,466,073
Manufacturing	22,035,684	29,493,656	27,614,238
Real estate	26,967,529	30,287,572	31,805,801
Retail trade	79,712,707	79,906,363	90,127,811
Food stores	49,947,282	52,271,208	55,036,444
Eating and drinking establishments	17,577,519	18,070,196	18,383,424
Auto dealers and supplies	25,949,965	28,051,879	30,444,643
Specialty retail	22,917,692	23,081,277	23,397,268
Curio and jewelry retail stores	57,783,418	49,279,069	55,418,133
Entertainment services	4,549,563	5,321,145	5,743,070
General services	14,980,337	15,851,383	16,139,316
Professional services	6,155,813	7,706,093	6,158,124
Transportation, communications and utilities	64,972,042	71,282,610	79,168,059
Total	<u>\$ 463,952,411</u>	<u>\$ 474,817,570</u>	<u>\$ 530,747,729</u>
City direct sales tax rate	3.50%	3.50%	3.50%

Source: Ketchikan Gateway Borough

Note: The amounts reflected on this schedule are updated annually with current reported gross sales information provided by the Ketchikan Gateway Borough.

Table 13

2008	2009	2010	2011	2012	2013	2014
\$ 73,419,651	\$ 44,336,638	\$ 50,430,009	\$ 96,054,116	\$ 109,944,013	\$ 77,292,970	\$ 75,525,022
3,178,054	3,531,628	3,521,298	2,948,547	4,041,550	3,555,578	2,953,480
16,941,372	15,096,172	15,376,929	14,593,406	15,548,076	15,757,414	16,198,269
35,183,518	47,045,192	40,265,296	24,915,484	39,842,655	37,030,919	33,672,442
33,418,436	33,876,294	39,293,015	37,189,688	40,328,677	38,342,482	39,616,783
95,610,087	93,595,986	91,187,271	91,067,607	120,267,196	93,184,043	95,665,943
58,269,720	56,907,933	59,534,128	62,759,319	64,720,813	65,445,878	67,860,166
18,434,099	18,073,566	18,639,171	19,400,071	21,035,986	20,528,294	20,329,094
29,902,145	23,294,439	17,822,721	20,253,452	21,410,167	20,509,086	21,430,736
23,543,735	24,380,756	23,788,108	24,721,828	25,669,700	25,542,545	25,989,957
53,061,753	45,324,650	44,097,747	44,387,990	44,886,243	50,336,018	42,097,506
4,545,666	4,464,679	4,119,365	4,248,046	4,434,892	4,370,920	4,658,827
18,944,756	19,430,386	18,805,268	19,366,447	20,665,673	19,931,980	20,119,769
5,415,952	8,807,335	6,949,378	9,475,358	8,187,467	6,944,499	7,779,151
96,250,785	73,575,372	82,042,095	88,121,368	88,384,275	91,629,124	84,817,828
<u>\$ 566,119,729</u>	<u>\$ 511,741,026</u>	<u>\$ 515,871,799</u>	<u>\$ 559,502,727</u>	<u>\$ 629,367,383</u>	<u>\$ 570,401,750</u>	<u>\$ 558,714,973</u>
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	4.00%



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DEBT CAPACITY

These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Outstanding Debt by Type Table 14
Ratio of General Bonded Debt Outstanding Table 15
Pledged Revenue Coverage Table 16
Direct and Overlapping Governmental Activities Debt Table 17

City of Ketchikan, Alaska
Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities			
Fiscal Year	General Obligation Bonds	Capital Lease	Total Governmental Activities
2005	\$ 7,901,348	\$ 21,337	\$ 7,922,685
2006	7,377,902	115,571	7,493,473
2007	6,834,456	67,377	6,901,833
2008	6,266,010	34,339	6,300,349
2009	5,682,565	-	5,682,565
2010	12,280,863	-	12,280,863
2011	11,452,328	-	11,452,328
2012	15,726,032	-	15,726,032
2013	14,535,682	-	14,535,682
2014	59,441,445	-	59,441,445

Business-Type Activities										
Wastewater General Obligation Bonds ¹	Wastewater Revenue Bonds ¹	Port General Obligation Bonds	Port Revenue Bonds	KPU Junior Lien Bonds ²	KPU Revenue Bonds	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Total Debt to Population (Table 18)	
2005	-	-	\$ 1,880,000	-	-	\$ 22,839,753	\$ 24,719,753	\$ 32,642,438	9.94%	\$ 4,248
2006	-	-	1,685,000	\$ 39,325,888	-	20,910,796	61,921,684	69,415,157	20.48%	9,060
2007	\$ 803,278	-	1,480,000	38,672,327	\$ 1,609,266	18,901,840	61,466,711	68,368,544	18.35%	8,842
2008	847,507	-	1,265,000	37,988,766	2,877,106	17,960,579	60,938,958	67,239,307	17.27%	8,956
2009	900,458	-	1,035,000	37,280,205	4,587,223	15,543,926	59,346,812	65,029,377	16.75%	8,667
2010	4,147,967	-	795,000	36,541,644	7,298,232	13,155,673	61,938,516	74,219,379	17.57%	9,220
2011	4,560,222	-	540,000	35,773,083	8,429,282	10,626,271	59,928,858	71,381,186	16.10%	8,767
2012	4,736,445	\$ 363,210	270,000	34,969,522	8,673,259	8,022,070	57,034,506	72,760,538	15.51%	8,776
2013	2,763,776	308,811		34,130,961	8,804,413	20,938,869	66,946,830	81,482,512	17.58%	9,802
2014	2,711,970	295,463		33,257,400	10,154,554	17,595,000	64,014,387	123,455,832	26.48%	14,849

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ ADEC Clean Water Loan Program - \$8,263,532 authorized.

² ADEC Drinking Water Loan Program - \$13,856,720 authorized.

Source: City of Ketchikan financial records

City of Ketchikan, Alaska
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population (Table 18)	Taxable Assessed Value (Table 7)	General Obligation Bonds	Ratio of GO Debt to Assessed Value of Property	Net GO Debt Per Capita
2005	7,685	\$ 549,889,500	\$ 9,781,348	1.78%	\$ 1,273
2006	7,662	587,592,000	9,062,902	1.54%	1,183
2007	7,732	649,661,700	9,117,734	1.40%	1,179
2008	7,508	718,646,800	8,378,517	1.17%	1,116
2009	7,503	745,354,000	7,618,023	1.02%	1,015
2010	8,050	745,845,700	17,223,830	2.31%	2,140
2011	8,142	745,345,700	16,552,550	2.22%	2,033
2012	8,291	749,698,100	20,732,477	2.77%	2,501
2013	8,313	797,660,600	17,299,458	2.17%	2,081
2014	8,314	805,953,200	62,153,415	7.71%	7,476

Note: This schedule includes all general obligation bonds of the City of Ketchikan including both governmental activities and business-type activities.

Source: City of Ketchikan financial records

(Un-Audited)

City of Ketchikan, Alaska
Pledged-Revenue Coverage
Last Ten Fiscal Years

Utility Revenue Bonds						
Fiscal Year	Gross Revenues ¹	Expenses Excluding Depreciation	Net Available	Debt Service		Coverage
		Taxes & Debt	Revenue	Principal	Interest	
2005	28,180,811	19,081,220	9,099,591	1,810,000	925,199	3.33
2006	32,021,949	20,823,737	11,198,212	1,895,000	961,107	3.92
2007	32,007,842	22,854,358	9,153,484	1,975,000	875,733	3.21
2008	34,271,562	25,546,774	8,724,788	2,205,000	772,045	2.93
2009	33,750,681	26,895,812	6,854,869	2,285,000	694,976	2.30
2010	33,171,040	24,664,044	8,506,996	2,415,000	512,270	2.91
2011	34,436,817	26,095,282	8,341,535	2,480,000	464,561	2.83
2012	35,106,045	27,404,250	7,701,795	2,609,722	475,663	2.50
2013	37,991,740	31,138,863	6,852,877	1,755,000	514,180	3.02
2014	36,458,482	29,062,975	7,395,507	1,810,000	784,780	2.85

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest, depreciation, or amortization expenses.

¹ Revenues do not include financial assistance recognized as revenues pursuant to GASB Statement 33.

² Other represents lease payment and payment to repair and replacement fund.

Table 16

Port Revenue Bonds							
Gross Revenue	Expenses Excluding Depreciation and Lease	Net Available Revenue	Debt Service		Other ²	Coverage	
			Principal	Interest		Debt Service	Debt Service/ Lease
-	-	-	-	-	-	-	-
7,290,332	2,299,099	4,991,233	-	677,465	-	7.37	-
8,595,881	1,658,254	6,937,627	625,000	1,951,100	-	2.69	-
9,220,727	2,380,586	6,840,141	655,000	1,924,537	2,989,183	2.65	1.24
9,248,432	2,933,667	6,314,765	680,000	1,896,700	2,952,065	2.45	1.13
8,093,975	2,925,697	5,168,278	710,000	1,867,800	2,668,757	2.00	0.99
8,067,105	2,308,515	5,758,590	740,000	1,835,850	2,386,863	2.24	1.16
10,620,142	1,949,449	8,670,693	775,000	1,802,550	2,628,181	3.36	1.67
11,147,463	3,252,757	7,894,706	810,000	1,767,675	2,922,942	3.06	1.44
11,186,885	5,202,311	5,984,574	845,000	1,731,225	2,892,155	2.32	1.09

City of Ketchikan, Alaska
Direct and Overlapping Governmental Activities Debt
As of December 31, 2014

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Ketchikan Gateway Borough-Overlapping Debt	-	61.59%	-
City of Ketchikan-Direct Debt	59,441,445	100.00%	59,441,445
Total Direct and Overlapping Debt			<u>\$ 59,441,445</u>

Note: Overlapping governments are those that coincide with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Ketchikan. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying each debt of each overlapping government.

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of the Ketchikan Gateway Borough's assessed value and dividing it by each unit's total assessed value.

² The figures reported for the Ketchikan Gateway Borough reflect the amounts shown in their FY2014 Comprehensive Annual Financial Report for the year ended June 30, 2014.

Sources: Assessed value data used to estimate applicable percentages provided by the Ketchikan Gateway Borough Assessment Department. Debt outstanding data provided by the Ketchikan Gateway Borough & City of Ketchikan Finance Departments.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Demographic and Economic Statistics	Table 18
Principal Employers.....	Table 19

(Un-Audited)

City of Ketchikan, Alaska
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population		Personal Income ⁽¹⁾	Per Capita	School ⁽³⁾ Enrollment
	City	Ketchikan Gateway Borough		Personal Income ⁽²⁾	
2005	7,685	13,115	560,711,000	42,165	2,274
2006	7,662	13,176	582,879,000	43,224	2,229
2007	7,732	13,166	634,324,000	47,572	2,167
2008	7,508	12,993	673,904,000	50,597	2,115
2009	7,503	12,984	671,827,000	50,536	2,110
2010	8,050	13,477	707,018,000	52,209	2,116
2011	8,142	13,686	745,318,000	54,462	2,167
2012	8,291	13,750	778,191,000	56,477	2,201
2013	8,313	13,938	776,938,000	56,591	2,266
2014	8,314	13,856	776,938,000	56,591	2,474

Note: Except as specifically noted the demographic and economic statistical information reflected in this schedule represents data for the Ketchikan Gateway Borough (KGB) as the data for the specific areas within the KGB such as the City of Ketchikan are not available.

¹ The amount of personal income reflects the amount reflected on State of Alaska website, which provides the interface for U.S. Department of Commerce, Bureau of Economic Analysis data for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is not currently available. The information reflected in this schedule represents the most current data available and may differ from the amounts that have been reported in prior years. Information has not been released that shows this type of information for 2014 so an estimate has been provided.

² The amount of per capita personal income reflects the amount reflected on State of Alaska website, which provides the interface for U.S. Department of Commerce, Bureau of Economic Analysis data for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is not currently available. The information reflected in this schedule represents the most current data available and may differ from the amounts that have been reported in prior years. The amount reflected for 2014 is an estimate as data is not currently available.

³ The School Enrollment figures reflects kindergarten through grade 12 enrollment from the State of Alaska website for the Ketchikan Gateway Borough as of October 1. The link for 2014 information can be accessed at <http://www.eed.state.ak.us/stats/DistrictEnrollment/2015DistrictEnrollment.pdf>. Information reflected in this schedule reflects the amounts stated for each of the respective years and may differ from the amounts that have been reported in prior years.

⁴ A change in the way labor force statistics are calculated for sub-state areas makes data prior to 2010 not comparable with other data. The Civilian Labor Force figures are the amounts reflected on State of Alaska website for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is not currently available. The information reflected in this schedule represents the most current data available and may differ from the amounts that have been reported in prior years.

⁵ Registered motor vehicle information reflected in this schedule is representative of amounts reported by the State of Alaska, Department of Administration, Division of Motor Vehicles for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is unavailable at this time.

Sources: Personal income and unemployment rate information provided by the State of Alaska's website interface to the U.S. Department of Commerce, Bureau of Economic Analysis. The reported population counts reflect the levels stated by the State of Alaska, Department of Commerce, Division of Community and Regional Affairs. Motor vehicle information is provided by the State of Alaska, Department of Administration, Division of Motor Vehicles.

Table 18

Civilian Labor Force ⁽⁴⁾			Motor
Employed	Unemployed	Unemployment Rate	Vehicles Registered ⁽⁵⁾
7,423	535	6.7%	16,359
7,591	488	6.0%	16,437
7,789	447	5.4%	16,522
7,821	471	5.7%	16,640
7,712	590	7.1%	16,670
6,474	622	8.8%	16,485
6,534	610	8.5%	16,530
6,597	569	7.9%	16,504
6,618	535	7.5%	16,517
6,539	538	7.6%	16,520

City of Ketchikan, Alaska
Principal Employment by NAICS Industry Category
This Year and Nine Years Ago

<u>Employer</u>	2014¹		2005	
	<u>Average Employment</u>	<u>Rank</u>	<u>Average Employment</u>	<u>Rank</u>
Federal Government	234	12	307	8
State Government	698	7	629	6
Local Government	1,126	3	1,048	3
Private Ownership	5,527	1	4,973	1
Natural Resource and Mining	1,118	4	154	13
Construction	375	9	275	10
Manufacturing	592	8	454	7
Trade, Transportation and Utilities	1,759	2	1,892	2
Information	93	14	95	14
Financial Activities	368	10	292	9
Professional & Business Services	240	11	211	11
Educational & Health Services	932	5	655	5
Leisure & Hospitality	847	6	741	4
Other Services	179	13	198	12

Employment by NAICS Industry Category is reflected for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is not currently available.

¹ The average 2014 employment figures reflect preliminary results from the State of Alaska website, which provides the interface for U.S. Department of Commerce, Bureau of Economic Analysis data for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is not currently available. The information reflected in this schedule represents an average of the first three quarters from the preliminary data available. Information for the fourth quarter has not been released that shows this type of information for 2014.

Source: State of Alaska, Department of Labor

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Property Value and Construction.....	Table 20
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Utility Rates and Charges	Table 30
Port Fund Operating Results	Table 31



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CITY OF KETCHIKAN, ALASKA
Property Value and Construction
Last Ten Fiscal Years

Year	Construction		Real & Personal Property Value (2)
	Number of Permits (1)	Value (1)	
2005	190	19,441,857	589,537,900
2006	199	20,933,707	594,968,200
2007	190	12,120,861	633,321,300
2008	180	24,505,040	697,332,200
2009	198	13,981,121	768,741,400
2010	156	11,084,859	798,108,100
2011	157	106,064,282	800,947,400
2012	139	22,381,845	801,175,000
2013	148	12,109,557	857,398,200
2014	146	52,184,617	869,827,300

Sources:

(1) - City of Ketchikan Building Inspection Division

(2) - Ketchikan Gateway Borough Department of Assessment

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Full-time Equivalent City Employees by Function/Program
Last Ten Years

	2005	2006	2007	2008
<u>Function/Program</u>				
General government				
Mayor and Council	8.00	8.00	8.00	8.00
Law	2.00	2.00	2.00	2.00
Clerk	2.00	2.00	2.00	2.00
City Manager	4.50	4.50	4.50	4.50
Finance	16.00	16.00	16.00	16.00
Information Technology	7.00	8.00	8.00	9.00
Public Safety				
Fire	18.50	18.50	18.50	19.50
Police	33.80	35.30	35.30	35.80
Culture				
Library	13.86	13.86	13.88	13.33
Museum	9.20	8.45	8.45	8.45
Civic Center	3.00	3.00	3.00	3.00
Health and Welfare				
Gateway Center for Human Services ¹	35.34	39.24	39.24	36.40
Public Works				
Engineering	8.00	9.00	13.00	13.00
Streets	12.00	12.00	12.00	14.00
Solid Waste	9.00	10.00	10.00	11.00
Garage & Warehouse	4.00	4.00	4.00	4.00
Wastewater	7.00	7.00	8.00	8.00
Building Maintenance	1.00	2.00	2.00	2.00
Port and Harbors				
Small Boat Harbors	5.20	5.20	5.20	5.20
Port Development	3.80	3.80	3.80	3.80
Ketchikan Public Utilities				
Administration	1.50	1.50	1.50	1.50
Engineering ²	7.50	7.50	7.50	7.50
Sales, Marketing & Customer Service ³	12.50	12.50	12.50	12.50
Electric	40.50	42.00	42.00	42.00
Telephone	42.25	44.50	45.00	47.00
Water	6.50	7.50	7.50	7.50
Total	313.95	327.35	332.87	336.98

Source: City of Ketchikan Budget Records

¹ Effective May 1, 2010 the City ceased management of the operations associated with the Gateway Center for Human Services Division.

² Effective January 1, 2012, the former KPU Engineering Division was dissolved and staff members were reassigned to other divisions. The number of employees in the KPU Engineering Division for calendar years 2004 through 2011 reflect the former staffing plan.

³ Effective May 7, 2009 the former Customer Service Division was renamed Sales, Marketing and Customer Service Division and four Telecommunications staff members were reassigned to the newly established division. The number of employees reflected in Telecommunications and Sales, Marketing & Customer Service Divisions for calendar years 2004 through 2008 reflect the former staffing plan.

Table 21

2009	2010	2011	2012	2013	2014
8.00	8.00	8.00	8.00	8.00	8.00
2.00	2.00	2.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
4.50	4.50	4.50	4.50	4.50	4.50
16.00	16.00	16.00	16.00	16.00	15.00
8.10	7.00	7.00	7.00	7.00	7.00
20.00	20.00	19.00	19.00	19.00	19.00
35.30	36.30	36.30	36.30	36.30	35.30
13.33	11.83	11.83	12.31	12.31	12.41
8.45	7.45	7.20	7.20	7.20	7.20
3.00	3.00	3.00	3.00	3.00	3.00
19.00					
11.00	11.00	11.50	13.00	12.00	12.00
14.00	13.00	13.00	13.00	13.00	13.00
11.00	11.00	11.00	11.00	11.00	11.00
4.00	4.00	4.00	4.00	4.00	4.00
8.00	8.00	8.00	8.00	8.00	8.00
2.00	2.00	2.00	2.00	2.00	2.00
4.80	4.80	5.40	5.40	5.40	5.40
4.20	4.20	4.60	4.60	4.60	4.60
1.50	1.50	1.50	2.50	2.50	2.50
7.50	4.50	4.50			
16.50	16.00	16.00	16.00	16.83	17.00
42.00	42.00	43.00	43.40	43.40	43.40
41.00	41.00	40.00	43.00	43.92	43.00
7.50	8.50	8.50	10.60	10.60	10.60
314.68	289.58	289.83	292.81	293.56	290.91

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Operating Indicators by Function/Program
Last Ten Years

	2005	2006	2007	2008
Function/Program				
City Manager				
Personnel Job Postings	117	139	111	130
Information Technology				
Workstations	255	275	281	287
Portables	31	34	39	42
Printers	75	90	96	103
Public Safety				
Fire				
EMS/Rescue Responses	1,112	1,090	1,175	1,242
Fire Responses	70	48	51	60
Volunteer Fire Persons	42	35	33	35
Police				
DUI Offenses	233	243	198	162
Domestic Violence	132	143	154	197
Larceny Offenses	426	444	408	367
Culture				
Library				
Volumes in collection	71,542	65,614	66,057	68,054
Annual Circulation	174,484	161,815	169,743	160,698
Offered Programs	248	238	254	282
Program Attendance	8,826	5,577	5,233	6,877
Museum				
Tongass Historical Museum Attendance	23,122	22,264	21,549	21,116
Tongass Historical Museum Exhibit Openings	4	4	3	4
Totem Heritage Center Attendance	40,345	38,054	36,659	45,228
THC Native Arts Studies Course Offerings	18	18	11	10
Civic Center				
Days Occupied	196	219	199	186
Events	135	139	158	148
Public Works				
Engineering				
Issued Building Permits	190	199	190	180
Solid Waste				
Municipal Solid Waste - tons per day	27.49	27.07	26.35	25.57
Trash - tons per day	11.74	12.07	11.73	12.15
Incineration - tons per day	0.11	0.14	0.09	0.03
Recycle - tons per day	7.55	7.02	8.82	6.02
Port and Harbors				
Reserved Moorage Stalls Rented	780	780	770	758
Transient Moorage Feet Sold	311,390	317,299	291,728	560,453
Cruise Ship Stops	562	503	499	502
Cruise Ship Passengers	921,429	838,880	899,638	941,910
Ketchikan Public Utilities				
Customer Service				
Utility Service Orders	5,739	5,657	5,394	5,538

Sources: Various City Departments

Table 22

2009	2010	2011	2012	2013	2014
81	85	137	130	106	100
291	318	318	327	339	351
45	52	52	48	52	66
107	91	91	87	83	89
1,256	1,158	1,196	1,404	1,287	1,401
52	46	434	198	398	406
39	27	27	25	21	17
142	130	122	62	40	55
221	365	181	72	79	75
395	400	415	316	272	263
68,879	69,968	74,228	84,049	77,181	95,427
151,826	190,186	177,454	158,364	178,856	181,105
243	262	243	245	324	572
1,658	6,733	6,230	6,076	8,397	13,151
25,529	20,818	21,451	20,534	25,656	25,593
4	4	4	4	4	3
45,721	43,088	33,603	25,905	30,949	31,266
11	12	10	11	11	12
242	180	174	203	179	143
156	154	132	147	139	90
198	156	157	139	148	146
25.50	24.57	24.53	23.02	23.22	23.54
12.41	12.90	14.14	14.96	12.94	14.64
0.03	0.04	0.02	0.02	0.02	0.03
6.25	6.25	7.13	5.49	18.40	16.53
745	693	726	715	753	735
535,939	529,565	524,316	501,467	343,312	314,517
496	429	426	462	453	468
937,419	828,929	830,547	885,799	938,124	846,636
5,828	5,798	5,417	4,720	4,937	4,120

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Capital Asset Statistics by Function/Program
Last Ten Years

	2005	2006	2007	2008
<u>Function/Program</u>				
Public Safety				
Fire				
Stations	3	3	3	3
Police				
Stations	1	1	1	1
Culture				
Number of Libraries	1	1	1	1
Number of Museums	2	2	2	2
Number of Civic Centers	1	1	1	1
Public Works				
Engineering				
Municipal Area in Square Miles	5	5	5	5
Streets				
Miles of Streets ¹	24.71	24.64	24.84	25.07
Miles of Stairways	1	1	1	1
Municipal Parking Lots	36	36	37	37
Cemetery				
Acreage Size	9	9	9	9
Port and Harbors				
Harbors				
Harbor with Boat Launch Ramp	2	2	2	2
Harbor without Boat Launch Ramp	3	3	3	3
Boat Launch Ramp Facility	1	1	1	1
Port Berths	3	3	3	4

¹ The actual street mileage reported in 2006 did not change from 2005. The slight variance in reported mileage is due to the application of an applied and more defined measurement methodology.

Sources: Various City Departments

Table 23

2009	2010	2011	2012	2013	2014
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
5	5	5	5	5	5
25.07	27.89	27.89	27.89	27.89	27.89
1	1	1	1	1	1
37	37	37	37	37	37
9	9	9	9	9	9
2	2	2	2	2	2
3	3	3	3	3	3
1	1	1	1	1	1
4	4	4	4	4	4

CITY OF KETCHIKAN, ALASKA
INSURANCE COVERAGES
as of December 31, 2014

Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts	Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts
Property Insurance (includes Boiler & Machinery)		Police Professional Liability	
Coverage Amounts	Per Schedule	Coverage Limits	\$15,250,000
Deductible	\$25,000	Deductible	75,000
Commercial Comprehensive General Liability		Public Officials/Employment Practices Liability	
Coverage Limits	15,250,000	Coverage Limits	15,250,000
Deductible	75,000	Deductible	75,000
Employee Benefits Liability		Fidelity/Crime Insurance	
Coverage Limits	15,250,000	Notary Errors and Omissions	
Deductible	75,000	Coverage Limits	25,000
Commercial Comprehensive Auto Liability		Public Employees Blanket Bond	
Coverage Limits	15,250,000	Coverage Limits	2,500,000
Deductible	75,000	Deductible	50,000
Marine Insurance		Public Officials Bond	
Hull Coverage Limits	Per Schedule	City Manager - Coverage Limits	10,000
Hull War Risk		Finance Director - Coverage Limits	100,000
Coverage Limits	Per Schedule	Deductible	none
Primary Protection & Indemnity		Marina and Wharfingers	
Coverage Limits	1,000,000	Wharfingers/Terminal Operator's/	
Deductible	1,000	Marina Operators/Charterers Liability	
Primary War Risk		Coverage Limits	3,000,000
Coverage Limits	1,000,000	Deductible	10,000
Deductible	none	Sudden and Accidental Pollution Liability	
Excess Protection & Indemnity and		Coverage Limits	3,000,000
Excess P&I War Risk		Deductible	25,000
Coverage Limits	9,000,000	Excess Wharfingers/Terminal Operators/	
Deductible	none	Marina Operators/Charterers/Sudden	
Ambulance Malpractice		and Accidental Pollution Liability	
Coverage Limits	15,250,000	Coverage Limits	17,000,000
Deductible	75,000	Deductible	none
Broadcast Errors and Omissions		XS Marine Liability - Port	27,000,000
Coverage Limits	2,000,000	Worker's Compensation Insurance	
Deductible	25,000	Coverage Limits	Legal Limits
		Pollution Liability	
		Coverage Limits	1,000,000
		Deductible	25,000

CITY OF KETCHIKAN, ALASKA*Utility Statistical Operating Information**Last Ten Fiscal Years*

Year	Number of Customers			K.W.H. Sold	Per K.W.H. Sold		Average Residential K.W.H. Used December
	Electric	Water	Telephone *		Operating Revenue	Cost	
2005	7,202	2,928	9,840	145,244,130	0.0944	0.0906	1,019
2006	7,251	3,034	9,554	152,159,932	0.1003	0.0946	1,095
2007	7,305	3,230	9,039	154,802,805	0.0992	0.0995	1,111
2008	7,346	3,223	8,122	159,340,267	0.1142	0.1049	1,187
2009	7,365	3,217	7,558	158,146,666	0.1088	0.1068	1,196
2010	7,418	3,207	7,103	156,985,441	0.1016	0.0991	1,087
2011	7,443	3,219	7,057	164,713,929	0.1013	0.0953	1,218
2012	7,518	3,214	6,434	172,190,266	0.1001	0.0955	1,222
2013	7,514	3,206	6,083	170,281,664	0.1136	0.1119	1,220
2014	7,606	3,128	5,863	167,939,155	0.0989	0.0992	1,212

* Average number of revenue access lines.

(Un-Audited)

CITY OF KETCHIKAN, ALASKA

Energy Demand, Peak Demand and Resources

Gross Generation (kWh)

Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Energy Demand					
Total Sales	145,244,130	152,159,932	154,802,805	159,340,267	158,146,666
System losses	13,225,370	13,044,418	10,001,995	10,641,933	13,668,534
Total	158,469,500	165,204,350	164,804,800	169,982,200	171,815,200
Peak Demand	27,000	28,900	29,000	30,200	30,300
Energy Resources					
KPU Hydroelectric	79,615,400	79,778,150	79,994,900	83,912,500	78,895,500
Southeast Alaska Power Agency ¹	77,529,600	83,596,800	82,195,200	68,294,400	79,027,200
Diesel Generation	1,324,500	1,829,400	2,614,700	17,775,300	13,892,500
Total	158,469,500	165,204,350	164,804,800	169,982,200	171,815,200
Energy Costs (kWh) ²					
Hydroelectric Generation	\$ 0.0171	\$ 0.0172	\$ 0.0185	\$ 0.0170	\$ 0.0176
Diesel Generation	1.1554	0.8133	0.7305	0.2908	0.3027
Purchased Power ³	0.0580	0.0583	0.0655	0.0656	0.0659
Total Cost of Production (kWh)	0.0466	0.0468	0.0533	0.0652	0.0629

¹ Prior to December 2008, the Southeast Alaska Power Agency was known as the Four Dam Pool Power Agency, Inc. The Four Dam Pool was divested and the two hydroelectric projects that service Southeast Alaska were transferred to the Southeast Alaska Power Agency.

² Cost per kWh include operations and maintenance and depreciation.

³ Purchased power cost per kWh represents includes rebates, but not line losses.

Table 26

2010	2011	2012	2013	2014
156,985,441	164,713,929	172,190,266	170,281,664	167,939,155
13,514,059	14,009,987	13,701,858	8,474,536	8,504,552
<u>170,499,500</u>	<u>178,723,916</u>	<u>185,892,124</u>	<u>178,756,200</u>	<u>176,443,707</u>
28,800	30,300	27,150	25,900	30,500
76,062,100	82,594,936	85,816,264	74,703,000	86,755,268
92,908,800	91,584,000	97,804,800	91,856,000	87,923,000
<u>1,528,600</u>	<u>4,544,980</u>	<u>2,271,060</u>	<u>12,197,200</u>	<u>1,765,439</u>
<u>170,499,500</u>	<u>178,723,916</u>	<u>185,892,124</u>	<u>178,756,200</u>	<u>176,443,707</u>
\$ 0.0222	\$ 0.0231	\$ 0.0228	\$ 0.0262	\$ 0.0275
1.0902	0.4867	0.8622	0.3857	0.8715
0.0610	0.0556	0.0611	0.0630	0.0645
0.0529	0.0515	0.0532	0.0696	0.0544

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Historical Electric Customers, Energy Sales and Operating Results
Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Customers (Average)					
Residential	5,616	5,652	5,677	5,731	5,731
Commercial	1,068	1,077	1,091	1,105	1,127
Industrial	14	14	14	14	14
Other	504	508	523	496	493
Total	7,202	7,251	7,305	7,346	7,365
Energy Sales (KWH)					
Residential	56,815,618	59,870,257	62,275,248	65,977,138	66,565,425
Commercial	65,184,075	67,222,118	67,669,664	68,148,711	66,601,484
Industrial	19,919,012	21,181,708	20,865,150	21,275,072	21,215,194
Other	3,325,425	3,885,849	3,992,743	3,939,346	3,764,563
Total	145,244,130	152,159,932	154,802,805	159,340,267	158,146,666
Operating Results					
Operating Revenues					
Revenues from Energy Sales	\$13,247,675	\$14,483,744	\$14,795,312	\$17,729,748	\$16,639,918
Other Operating Revenues	460,057	771,160	567,665	472,660	564,893
Total Operating Revenues	13,707,732	15,254,904	15,362,977	18,202,408	17,204,811
Operating Expenses					
Hydroelectric Generation	945,391	951,476	1,064,215	1,008,647	949,398
Diesel Generation	820,779	778,303	1,230,036	4,504,445	3,536,432
Purchased Power	4,496,621	4,873,547	5,383,696	4,477,324	5,205,128
Transmission and Distribution	1,327,882	1,690,735	1,885,281	1,704,557	2,121,534
Administration and General	1,830,956	2,007,768	1,969,007	2,281,082	2,262,656
Total Operating Expenses	9,421,629	10,301,829	11,532,235	13,976,055	14,075,148
Payment In Lieu of Taxes	333,905	328,965	335,830	335,400	323,730
Total Expenses	9,755,534	10,630,794	11,868,065	14,311,455	14,398,878
Net Revenue	\$3,952,198	\$4,624,110	\$3,494,912	\$3,890,953	\$2,805,933

Table 27

2010	2011	2012	2013	2014
5,756	5,757	5,808	5,819	5,817
1,153	1,165	1,173	1,171	1,201
13	12	13	13	13
496	509	524	511	575
7,418	7,443	7,518	7,514	7,606
64,938,484	68,484,718	71,794,062	68,668,600	67,665,456
66,351,381	69,021,595	71,815,802	72,269,920	72,777,304
21,981,458	23,242,166	24,452,654	25,306,208	23,408,642
3,714,118	3,965,450	4,127,748	4,036,936	4,087,753
156,985,441	164,713,929	172,190,266	170,281,664	167,939,155
\$15,390,910	\$16,244,690	\$16,767,415	\$18,919,766	\$16,323,845
562,291	442,410	464,797	426,644	293,569
15,953,201	16,687,100	17,232,212	19,346,410	16,617,414
1,225,358	1,442,543	1,494,523	1,489,541	1,599,911
1,093,997	1,856,120	1,500,999	4,317,797	1,302,115
5,663,664	5,093,489	5,976,876	5,784,566	5,674,201
2,648,485	2,766,478	3,043,918	3,312,784	3,627,608
1,976,837	2,032,081	1,549,445	1,644,964	1,693,482
12,608,341	13,190,711	13,565,761	16,549,652	13,897,317
351,478	353,954	343,266	381,993	381,993
12,959,819	13,544,665	13,909,027	16,931,645	14,279,310
\$2,993,382	\$3,142,435	\$3,323,185	\$2,414,765	\$2,338,104

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Historical Telephone Access Lines and Operating Results
Last Ten Fiscal Years

	2005	2006	2007	2008
Access Lines				
Residential	5,588	5,434	5,036	4,265
Commercial	4,252	4,120	4,003	3,857
Total	9,840	9,554	9,039	8,122
Operating Results				
Operating Revenues				
Local	\$3,257,503	\$3,237,357	\$2,854,206	\$2,644,869
Long Distance	6,955,054	8,403,318	7,745,095	7,449,484
Other	2,164,550	2,433,928	2,874,525	2,914,024
Total Operating Revenues	12,377,107	14,074,603	13,473,826	13,008,377
Operating Expenses				
Operation and Maintenance	4,957,257	5,456,256	6,818,792	6,828,519
Administration and General	2,959,790	3,270,553	2,747,917	2,928,878
Total Operating Expenses	7,917,047	8,726,809	9,566,709	9,757,397
Payment In Lieu of Taxes	151,840	159,575	148,643	149,770
Total Expenses	8,068,887	8,886,384	9,715,352	9,907,167
Net Revenue	\$4,308,220	\$5,188,219	\$3,758,474	\$3,101,210

Table 28

2009	2010	2011	2012	2013	2014
4,099	3,836	3,653	3,497	3,326	3,313
3,459	3,267	3,404	2,937	2,757	2,550
7,558	7,103	7,057	6,434	6,083	5,863
\$2,442,452	\$2,274,624	\$2,194,530	\$2,131,351	\$2,100,995	\$2,005,521
8,163,920	8,644,023	8,591,786	8,399,849	8,660,056	9,259,709
3,177,304	3,527,839	3,714,225	4,055,714	4,480,926	4,895,578
13,783,676	14,446,486	14,500,541	14,586,914	15,241,977	16,160,808
7,627,836	6,910,034	7,077,698	8,070,658	8,556,970	9,043,964
3,342,355	3,281,326	3,594,593	3,483,492	3,369,942	3,630,057
10,970,191	10,191,360	10,672,291	11,554,150	11,926,912	12,674,021
175,837	194,376	191,027	192,065	206,358	206,358
11,146,028	10,385,736	10,863,318	11,746,215	12,133,270	12,880,379
\$2,637,648	\$4,060,750	\$3,637,223	\$2,840,699	\$3,108,707	\$3,280,429

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Historical Water Customers and Operating Results
Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Customers (Average)					
Residential	2,493	2,586	2,776	2,769	2,748
Apartments	15	15	16	18	18
Commercial	406	420	424	422	435
Industrial	7	6	7	7	6
Cannery	3	3	3	3	4
Fire Hydrant	4	4	4	4	6
Marine Vessels	33	25	25	31	29
Total	2,961	3,059	3,255	3,254	3,246
Operating Results					
Operating Revenues					
Revenues from Water Sales	\$1,585,241	\$1,721,181	\$1,926,563	\$2,028,651	\$2,251,001
Other Operating Revenues	21,677	34,922	23,185	36,547	71,049
Total Operating Revenues	1,606,918	1,756,103	1,949,748	2,065,198	2,322,050
Operating Expenses					
Source of Supply	264,837	309,422	252,829	261,141	265,409
Chlorination/Disinfection	195,091	183,419	203,440	231,838	247,069
Distribution	270,334	270,097	246,039	255,369	268,791
Maintenance	696,121	675,119	693,646	640,274	639,739
Administration and General	316,161	357,042	359,460	447,091	429,465
Total Operating Expenses	1,742,544	1,795,099	1,755,414	1,835,713	1,850,473
Payment In Lieu of Taxes	164,255	161,460	165,527	164,830	175,433
Total Expenses	1,906,799	1,956,559	1,920,941	2,000,543	2,025,906
Net Revenue	(\$299,881)	(\$200,456)	\$28,807	\$64,655	\$296,144

Table 29

2010	2011	2012	2013	2014
2,738	2,743	2,727	2,724	2,650
17	17	20	21	25
436	442	451	444	436
5	5	4	4	3
4	5	4	5	6
7	7	8	8	8
26	28	29	38	34
3,233	3,247	3,243	3,244	3,162
\$2,535,859	\$2,899,352	\$2,935,454	\$3,081,904	\$3,174,900
39,608	85,948	48,168	47,024	33,795
2,575,467	2,985,300	2,983,622	3,128,928	3,208,695
330,625	232,238	259,083	450,456	393,529
228,238	217,441	233,871	301,718	311,254
241,667	238,281	413,547	362,562	397,994
718,571	1,073,567	999,167	1,110,737	957,414
345,242	470,753	378,671	411,626	431,446
1,864,343	2,232,280	2,284,339	2,637,099	2,491,637
182,146	183,019	192,669	197,649	197,649
2,046,489	2,415,299	2,477,008	2,834,748	2,689,286
\$528,978	\$570,001	\$506,614	\$294,180	\$519,409



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CITY OF KETCHIKAN, ALASKA

Utility Rates and Charges

For the Year Ending December 31, 2014

Electric			
Residential	\$6.40	plus \$0.0958 per kWh	
Harbor service	11.75	plus \$0.0958 per kWh	
Commercial	36.30	plus \$0.0897 per kWh plus a demand charge of \$2.91 per kW in excess of 25 kW this flat fee in effect April through September	
Industrial	53.35	plus \$0.0831 per kWh plus a demand charge of \$2.91 per kW in excess of 25 kW	
Telecommunications			
Residential	9.40	line charge plus \$6.50 for FCC subscriber line charge	
	49.95	DSL Basic (Download Speed 3M and Upload Speed 1M)	
	59.95	DSL Regular (Download Speed 5M and Upload Speed 1M)	
	49.95	IPTV Basic (Does not include \$9.95 for High Definition Service)	
Business	17.95	per single or multi-business line plus \$9.20 for FCC subscriber line charge	
	59.95	DSL Basic (Download Speed 3M and Upload Speed 1M)	
	69.95	DSL Regular (Download Speed 5M and Upload Speed 1.5M)	
	49.95	IPTV Basic (Does not include \$9.95 for High Definition Service)	
Customer Premise Visit	35.00		
Water			
Residential			
Homes & Trailers	46.34	per unit	
1-4 apartments	46.34	per unit	
5-24 apartments	42.23	per unit	
25+ apartments	36.23	per unit	
Business			
	48.31	plus size of line charges as follows	
1 inch	32.19		
1-1/4 inch	96.60		
1-1/2 inch	185.16		
2 inch	336.42		
2-1/2 inch	521.28		
3 inch	788.89		
4 inch	1,340.34		
Industrial			
	<u>Line Charges</u>	Canneries	
5/8 and 3/4 inch	64.39	Per Season	
1 inch	96.60	5/8 and 1 inch	\$690.36
1-1/4 inch	161.01	1 1/4 inch	1,239.67
1-1/2 inch	251.54	1-1/2 inch	1,655.36
2 inch	384.39	2 inch	4,951.21
2-1/2 inch	583.86		
3 inch	882.45		
4 inch	1,442.93		
6 inch	2,404.93		
8 inch	2,666.55		
Over 8 inch	by special contract		

(Un-Audited)

City of Ketchikan, Alaska
Port Fund Operating Results
Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Assets					
Cash	\$ 7,066,674	\$ 4,529,687	\$ 8,471,112	\$ 4,939,650	\$ 4,827,125
Port Facilities (net)	9,762,409	10,405,568	41,226,714	46,312,527	44,947,620
Construction Work in Progress	1,632,135	26,082,665	3,493,927	832,620	963,018
Restricted Assets		19,872,348	4,743,690	4,215,908	4,819,708
Prepaid Expense				1,002,572	1,019,538
Other Assets	47,113	515,697	560,772	1,100,476	710,905
Total assets	18,508,331	61,405,965	58,496,215	58,403,753	57,287,914
Liabilities and Net Position					
General Obligation Bonds Payable	1,880,000	1,685,000	1,480,000	1,265,000	1,035,000
Revenue Bonds Payable		38,500,000	37,875,000	37,220,000	36,540,000
Other Liabilities	3,759,032	7,105,081	5,130,176	4,191,404	3,147,957
Total liabilities	5,639,032	47,290,081	44,485,176	42,676,404	40,722,957
Net Position	\$ 12,869,299	\$ 14,115,884	\$ 14,011,039	\$ 15,727,349	\$ 16,564,957
Operating Revenues	\$ 7,096,948	\$ 6,427,207	\$ 7,895,063	\$ 8,839,267	\$ 8,922,228
Operating Expenses					
Operation and Maintenance	\$ 1,945,688	\$ 2,299,099	\$ 1,506,749	\$ 3,653,251	\$ 5,522,050
Depreciation	618,708	657,485	985,775	1,390,850	1,460,265
Payment in Lieu of Taxes/Taxes	102,100	102,100	102,100	282,770	290,000
Total operating expenses	2,666,496	3,058,684	2,594,624	5,326,871	7,272,315
Operating Income	4,430,452	3,368,523	5,300,439	3,512,396	1,649,913
Non-Operating Revenue (Expense)	(68,390)	(310,285)	(1,697,827)	(1,933,922)	(1,738,365)
Income Before Contributions, Extraordinary Item & Transfers	4,362,062	3,058,238	3,602,612	1,578,474	(88,452)
Contributions	12,251	42,006	1,864,611	740,672	366,424
Capital Grants					559,636
Extraordinary Item	(2,432,884)				
Special Item				14,789	
Transfers	(2,445,585)	(1,853,659)	(5,572,069)	(617,625)	
Loss on sale of capital assets					
Change in Net Position	\$ (504,156)	\$ 1,246,585	\$ (104,846)	\$ 1,716,310	\$ 837,608
Revenue Bond Debt Coverage:					
1.25 x Annual Debt Service	N/A	7.37	2.69	2.65	2.45
1.0 x Annual Debt Service/Reserves					
Account/Repair and Replacement					
Fund/SPH Lease Payments	N/A	N/A	N/A	1.24	1.13
# of Ships	37	36	36	37	36
# of Calls/Stops	562	503	499	502	496
# of Water Passengers	921,429	837,498	894,216	930,958	926,051

Table 31

2010	2011	Restated ¹ 2012	2013	2014
\$ 4,364,226	\$ 2,373,808	\$ 2,285,517	\$ 2,900,167	\$ 5,504,277
43,642,947	42,121,390	47,867,526	53,659,903	54,481,904
1,116,782	5,531,746	5,066,048	5,449,151	200,947
5,307,521	5,623,924	6,082,097	6,595,730	8,724,101
752,856	782,959	1,055,740	1,124,342	1,021,346
528,456	2,786,483	3,080,061	5,546,430	2,903,333
55,712,788	59,220,310	65,436,989	75,275,723	72,835,908
795,000	540,000	270,000	-	-
35,830,000	35,090,000	34,315,000	33,505,000	32,660,000
3,134,814	2,847,180	1,072,313	1,699,380	860,042
39,759,814	38,477,180	35,657,313	35,204,380	33,520,042
\$ 15,952,974	\$ 20,743,130	\$ 29,779,676	\$ 40,071,343	\$ 39,315,866
\$ 8,000,492	\$ 7,986,404	\$ 8,592,255	\$ 9,145,920	\$ 8,578,059
\$ 5,486,471	\$ 4,110,674	\$ 4,026,731	\$ 4,582,100	\$ 4,726,515
1,446,527	1,401,754	1,359,513	1,636,863	1,587,253
295,000	295,000	295,000	319,000	319,000
7,227,998	5,807,428	5,681,244	6,537,963	6,632,768
772,494	2,178,976	2,911,011	2,607,957	1,945,291
(1,917,727)	(1,889,022)	(1,794,603)	(1,740,642)	(1,581,717)
(1,145,233)	289,954	1,116,408	867,315	363,574
14,306	29,536	2,018,165	1,993,212	2,491,297
518,944	4,654,981	6,214,416	8,676,543	4,407,753
	(184,315)	(8,178)	(80,199)	(5,018,804)
			(1,165,204)	(2,999,297)
\$ (611,983)	\$ 4,790,156	\$ 9,340,811	\$ 10,291,667	\$ (755,477)
2.00	2.24	3.36	3.03	2.32
0.99	1.16	1.67	1.42	1.09
26	28	34	31	37
429	426	467	456	468
820,914	830,547	885,799	938,124	877,589



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